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Financing of the United Nations peacekeeping forces in the Middle East: United Nations Disengagement Observer Force; United Nations Interim Force in Lebanon

Financing of the activities arising from Security Council resolution 687 (1991): United Nations Iraq-Kuwait Observation Mission

Financing of the United Nations Mission for the Referendum in Western Sahara

Financing of the United Nations Peacekeeping Force in Cyprus

Financing of the United Nations Observer Mission in Georgia

Financing of the United Nations Mission in Bosnia and Herzegovina

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations: financing of the United Nations peacekeeping operation

Financing of the United Nations peacekeeping operations

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. During its meetings held in February and March 2000, the Advisory Committee on Administrative and Budgetary Questions considered the financial performance reports for the period from 1 July 1998 to 30 June 1999 and the proposed budgets for the period from 1 July 2000 to 30 June 2001 of the peacekeeping operations listed below. The Committee's reports on each of these missions are presented as addenda to the present report, as follows:

(a) United Nations Disengagement Observer Force (UNDOF) (A/54/841/Add.1);

(b) United Nations Interim Force in Lebanon (UNIFIL) (A/54/841/Add.2);

(c) United Nations Iraq-Kuwait Observation Mission (UNIKOM) (A/54/841/Add.3);

(d) United Nations Peacekeeping Force in Cyprus (UNFICYP) (A/54/841/Add.4);

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(e) United Nations Observer Mission in Georgia (UNOMIG) (A/54/841/Add.5);

(f) United Nations Mission in Bosnia and Herzegovina (UNMIBH), including the liaison offices at Zagreb and Belgrade and the United Nations Mission of Observers in Prevlaka (UNMOP) (A/54/841, Add.6);

(g) United Nations Mission for the Referendum in Western Sahara (MINURSO) (A/54/841/Add.7);

(h) United Nations Logistics Base at Brindisi (A/54/841/Add.8).

2. The Advisory Committee also considered the financial performance reports for the period from 1 July 1998 to 30 June 1999 for the United Nations Civilian Police Mission in Haiti (MIPONUH) (A/54/757), the United Nations Mission of Observers in Tajikistan (UNMOT) (A/54/705), the United Nations Preventive Deployment Force (UNPREDEP) (A/54/740), the Civilian Police Support Group (A/54/713) and the United Nations Observer Mission in Sierra Leone (UNOMSIL) (A/54/778). The Committee has reported on MIPONUH (A/54/825), UNMOT (A/54/822), UNPREDEP (A/54/824) and the Civilian Police Support Group (A/54/823). The Committee's report on UNOMSIL is to be issued shortly.

3. The Advisory Committee considered the financial performance report for the period from 1 July 1998 to 30 June 1999 (A/54/809) and the revised budget for the period from 1 July 1999 to 30 June 2000 (A/54/812) for the United Nations Observer Mission in Angola (MONUA) and the revised budget for the period from 1 July 1999 to 30 June 2000 and the proposed budget for the period from 1 July 2000 to 30 June 2001 for UNOMSIL and the United Nations Mission in Sierra Leone (UNAMSIL) (A/54/820). The report of the Committee on MONUA is contained in document A/54/831, and, as indicated above, its report on UNOMSIL/UNAMSIL is to be issued shortly.

4. The Advisory Committee also considered the financial performance report for the United Nations Mission in East Timor (UNAMET) for the period from 5 May 1999 to 30 November 1999 and the request for additional appropriation (A/54/775), as well as the budget estimates for the United Nations Transitional Administration in East Timor (UNTAET) for the period from 1 July 1999 to 30 June 2000 (A/54/769). The reports of the Committee on the financing of UNAMET and UNTAET are contained in documents A/54/802 and A/54/804 respectively.

5. The Advisory Committee also considered on a preliminary basis the proposed budget for the period from 1 July 2000 to 30 June 2001 for the United Nations Interim Administration Mission in Kosovo (UNMIK) (A/54/807) and the Secretary-General's request for authority to enter into commitments, with assessment, in an amount not exceeding $200 million to meet the most immediate anticipated requirements of the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) (see A/54/808). The reports of the Committee are contained in documents A/54/842 and A/54/813 respectively.

6. Further, the Advisory Committee considered the report on losses of United Nations property in peacekeeping operations (A/54/669 and Corr.1). The Committee's observations and comments are set out in paragraphs 47-53 below.

7. In addition, the Advisory Committee has considered the report of the Board of Auditors to the General Assembly on the accounts of the United Nations peacekeeping operations for the financial period ended 30 June 1999.[1] The report of the Committee is contained in document A/54/801.

II. General Observations

8. A summary of the financial performance of peacekeeping missions for the period ending 30 June 1999 is contained in annex I to the present report. For the peacekeeping operations listed in that annex, expenditures amounted to $768,242,700, including the absorption of the cost of the United Nations Logistics Base at Brindisi, Italy, which amounts to $4,016,100, against appropriations of $836,056,300, leaving an unencumbered balanced of $67,813,600 (or 8.1 per cent of the appropriation). As can be seen from table 1, the total of unliquidated obligations for the period ending 30 June 1999 amounted to $230,493,600 (or 30.0 per cent of the expenditure), as reflected in the performance reports. As at 28 February 2000, unliquidated obligations amounted to $125,188,738.

9. The Advisory Committee has commented in the past on the high level of unliquidated obligations as an indication of the need to refine the monitoring of budget implementation and disbursement. The

Table 1
Unliquidated obligations for the period from 1 July 1998 to 30 June 1999
(United States dollars)

Mission	*As per performance report*[a]	*Percentage of apportionment*	*Current status*[b]
MINURCA	22 957 600	37	9 473 700
MINURSO	6 966 300	12	3 281 700
MIPONUH	5 854 000	20	2 407 845
MONUA	51 858 500	40	42 455 500
UNDOF	13 316 700	39	10 434 374
UNFICYP	14 103 500	31	4 880 670
UNIFIL	52 136 300	36	22 321 570
UNIKOM	15 110 100	29	5 546 400
UNLB	1 282 500	18	168 517
UNMIBH	16 133 000	9	5 625 745
UNMOT	3 949 500	20	690 418
UNOMIG	2 298 900	12	1 276 192
UNOMSIL	3 305 800	15	400 400
UNPREDEP	21 162 900	49	16 220 500
UNTAES/Support Group	58 000	1	5 207
Total	**230 493 600**		**125 188 738**

[a] A good part of the unliquidated obligations is related to provision for reimbursement to Member States for troop costs, contingent-owned equipment, and the like.

[b] As at February 2000.

Committee notes that for this reporting period inter-office vouchers and unliquidated obligations have been reviewed more intensively. The Committee recalls that, in accordance with decisions of the General Assembly in its resolutions on the financing of each peacekeeping mission following the financial period to which they relate, obligations relating to governmental claims remain valid for five years and those relating to non-governmental claims are retained for 12 months. The Committee notes from the report of the Board of Auditors[2] that more progress needs to be made in the process of reviewing and verifying troop-contributing countries' claims. **In this connection, the Committee stresses the importance of the timely settlement of all claims of Governments participating in peacekeeping operations (see also A/54/801, paras. 6 and 8).**

10. As shown in annex II, total estimated budgetary requirements for the period from 1 July 2000 to 30 June 2001, as proposed by the Secretary-General in the reports for each peacekeeping operation submitted to the Advisory Committee as advance texts in February and March 2000, amount to $2,016,160,100 gross, excluding proposed budgets of $9,317,400 gross for the United Nations Logistics Base at Brindisi (A/54/733) and $51,736,600 gross for the Support account for peacekeeping operations (A/54/800). In this connection, the Committee recalls that the procedure for prorating support account cost requirements among individual peacekeeping mission budgets is contained in its report of 22 March 1996 (A/50/897, para. 37 and annex II), and the procedure with respect to the Logistics Base is contained in its report of 1 April 1999 (A/53/895, para. 37).

11. The Advisory Committee notes that estimated gross budgetary requirements for peacekeeping operations for the period from 1 July 2000 to 30 June 2001 are expanding in comparison with the estimated requirements proposed by the Secretary-General for each peacekeeping operation for the period from 1 July 1999 to 30 June 2000 (see A/53/895, annex IV). The Committee was informed by the Controller that gross estimated requirements will now exceed $2,600 million for the period 2000/01. While the budgets of five of the six ongoing missions have decreased between 1999/00 and 2000/01, the expansion refers mainly to the budgetary requirements of three new missions (i.e., UNMIK, UNTAET and MONUC) with large military and/or police components, as well as to the conversion and expansion of the operation in Sierra Leone. The Committee has paid close attention to the justifications provided for the requests for additional resources as well as to general issues of operational efficiency. The Committee has indicated areas that need further change, as summarized below and/or as contained in the reports of the Committee on each mission's budget.

12. **The Advisory Committee welcomes the improvements in the preparation of the proposed budgets for peacekeeping operations.** The Committee notes that improvements in the reports result in part from the implementation of recommendations made by the Committee, in particular in its reports of 7 May 1998 (A/52/860) and 1 April 1999 (A/53/895) on financing of the United Nations peacekeeping operations. The Committee was informed that some issues, such as the treatment of income (see A/53/895, para. 13) remained under review. The Committee also notes that in many instances the budget preparation process has been streamlined. In most cases the estimates are more realistic, reflecting performance experience gained from prior mandate periods; however, in some areas, such as civilian staff costs, the Committee has questioned the extent to which past experience has been used and, where appropriate, has adjusted the rates. In general, the financial performance and budget documents have been made more user-friendly, containing concise but yet more precise narratives with fewer errors than in previous documentation. In accordance with the Committee's past recommendation, budgets have provided in a consistent manner expenditures for staff assessment and the corresponding offset.

13. The Advisory Committee notes further improvements in the coordination between Headquarters and missions in the field in budgetary and administrative matters. As a recurrent feature, long-established missions continue to be a source of expertise for new missions.

14. The Committee was provided with an updated version of the Standard Cost Manual for Peacekeeping Operations and was informed about how its updating has affected the estimates in a number of areas, such as transportation and accommodation. The Standard Cost Manual indicates estimated unit prices based on an average of recent purchase costs of various items. As these items may be bought individually or at varying bulk rates with variable discounts and associated savings, the resulting standard cost need not necessarily reflect either the unit price or a specific bulk cost for the item; rather, it is a functional average suitable for budgeting and mission planning purposes.

15. **The Advisory Committee welcomes the enhancements in the information contained in the performance reports as well as the refinements in the additional complementary information on budget implementation provided to the Committee during its meetings; however, the Committee believes that further adjustments are needed in some cases so that the most up-to-date information given to the Committee would be more accurate, facilitating the Committee's review of budget proposals.** The Committee notes that for some missions, such as UNFICYP, information was included on steps taken to manage more effectively authorized funds and on economy measures taken. **The Committee requests that in future similar information be included in the performance reports for other missions, as appropriate.**

16. The Advisory Committee notes from the additional information provided on budget implementation that considerable variations occurred in expenditures under several items. Detailed explanations were provided, in general, where variances in expenditure were over or under $100,000 or 10 per cent of the apportionment. However, when relevant, explanations of smaller variances were also provided. In some cases variances involved unbudgeted items. The Committee recognizes that this is a feature of the flexibility accorded to the Secretary-General to manage the appropriations authorized by the General Assembly. Nevertheless, **the Committee intends to**

monitor this situation to ascertain whether the frequency of unbudgeted expenditures results from unforeseen circumstances or whether it reflects weaknesses in the methods used to identify requirements.

17. The Advisory Committee has noted that in some missions (e.g., UNIKOM) there are a number of voluntary contributions for which no value is given. Moreover, upon enquiry, the Committee was informed that in a number of cases these voluntary contributions were in respect of items that would otherwise have been budgeted. However, the Committee was not provided with values for the voluntary contributions. **In the opinion of the Committee, this is cause for concern, as it indicates a failure to comply with the requirement for full-cost budgeting. The Committee recalls that draft technical guidelines for voluntary contributions for peacekeeping operations have been issued (see A/52/860, annex V). The Committee trusts that this deficiency will be remedied in future budget submissions.**

18. **The Advisory Committee requests that in future budget presentations, organization charts containing an indication of the personnel proposed for each organizational unit of the mission be provided for all peacekeeping missions so as to facilitate a comparative analysis of the budget proposals for various missions.**

Civilian police

19. The Advisory Committee continues to be concerned about the issues of screening, selection and deployment of police personnel. **There is a continued need to improve the present arrangements for selection and clearance of police personnel and for notifying Member States about police needs in peacekeeping missions. A more effective selection process and better management of civilian police personnel could well result in savings.** In this connection, the Chief of the Civilian Police Unit of the Department of Peacekeeping Operations briefed the Committee on progress made to address the problem of delays in deployment and on the number of untimely repatriations of civilian police personnel in peacekeeping operations. The Committee was informed that at present 8,900 civilian police personnel were required and that 4,800 had been deployed. The Committee notes that the types and functions of the civilian police personnel are expanding to include, in addition to unarmed police monitors, armed police personnel with full executive enforcement responsibility (e.g., in UNMIK) and armed rapid-reaction police units (formed units which for administrative and budgetary purposes are treated as contingents) (e.g., in UNTAET).

20. To address the problem of early repatriations, the selection process has been reviewed. Selection and assessment teams are now going to those countries that provide a large number of civilian police personnel. More effective methods of testing and selection are under development, including moving testing from the mission area to the countries that contribute monitors. **The Advisory Committee stresses the importance of ensuring that equipment provided to civilian police personnel is commensurate with the mandate entrusted to them, taking into account the specific need of each peacekeeping operation.** The Committee was provided with data on the early repatriation of civilian police during the period from 1 July 1998 to 30 June 1999, which are shown in table 2.

21. **The Advisory Committee is also of the view that there is a need to examine the organizational set-up and the role and capacity of the Civilian Police Unit of the Department of Peacekeeping Operations at Headquarters.** The Committee recalls its report of 6 April 1999 (A/53/901, para. 12) in which it recommended careful monitoring of the changes concerning military and civilian police functions. In this connection, the Committee was informed that further initiatives were under consideration to increase the capacity and efficiency of the Civilian Police Unit. These include measures to broaden the base for recruiting police personnel, such as hiring retired police personnel that meet specific mission requirements, less frequent rotations or longer tours of duty and improvements in selection teams. **The Committee stresses the continued need to monitor the current structure of the Military and Civilian Police Division to ensure organizational effectiveness and efficiency and, in the light of the experience gained, to make any changes determined to be necessary.**

International and local staff

22. The Advisory Committee notes that vacancy rate assumptions in budget proposals for international and

Table 2
Early repatriation of civilian police for the period from 1 July 1998 to 30 June 1999

	Medical grounds	*Compassionate grounds*	*Failure to meet mission requirements*	*Disciplinary grounds*	*Government request*	*Other grounds*	*Total*
MINURCA	2	-	-	-	3	1	6
MINURSO	-	-	-	-	-	1	1
MIPONUH	4	4	9	2	1	1	21
UNFICYP	-	-	-	-	-	-	-
UNMIBH	20	3	47	9	4	57	140
UNOMSIL	-	-	-	-	-	5	5
UNPREDEP	-	-	-	-	-	-	-
UNTAES/Support Group	-	-	-	-	-	-	-
Total	**26**	**7**	**56**	**11**	**8**	**65**	**173**

local staff continue to be less than actual average rates, as shown in the performance reports, and reasons vary with each particular mission. The Committee was provided with vacancy rates for Professional, General Service/Field Service and local staff for the period from 1 July 1998 to 30 June 1999 (see annex III). The Committee has questioned the extent to which past experience has been used and in some cases (e.g., in UNIKOM, UNMIBH and UNOMIG) has made adjustments in the rates proposed. The Committee was informed of the difficulties that missions experience concerning the emplacement and retention of staff. In several missions there has been a large number of inter-mission loans of personnel and equipment to remedy the situation. The Committee notes that this situation has prevailed for some time and was reported in the context of the performance reports for the period from 1 July 1997 to 30 June 1998 (A/53/895, annex V). The Committee was informed that vacant posts were often in the administrative services of the mission. **The Committee recommends that an analysis be undertaken to determine the effect of continuing high vacancy rates on mission operations, as well as the impact that inter-mission loans of personnel and equipment may have on mission implementation. The report should address measures contemplated to increase mobility, both between missions and from headquarters duty stations to the field, and to improve recruitment.** The Committee was provided with a schedule of mission staff on short-term loan for the start-up of new missions for the periods from 1 July to 31 December 1998 and from 1 January to 30 June 1999, as shown in table 3. In this connection, the Committee requests that, in future, performance reports include data on inter-mission loans of personnel.

23. The Advisory Committee notes that salary cost estimates for international staff have been adjusted in the proposed budgets (e.g., for UNMIBH), taking into account past experience in the implementation of the budget. Salary estimates have been calculated more accurately taking into account the non-entitlement to post adjustment of Professional staff and Field Service staff classified as mission appointees. Similarly, common staff costs for international staff have been calculated at a reduced rate owing to the high number of mission appointees (e.g., in UNMIBH).

24. The Advisory Committee notes that the number of mission appointees varies widely, from 70 per cent in UNMIBH to 6 per cent in UNIKOM. Upon request, the Committee was informed that the number or proportion of mission appointees was likely to vary from one mission to the next depending on the mandate of the mission. Missions with more complicated or specific mandates, as compared with the more traditional peacekeeping operations, such as the established missions, are more likely to hire a larger proportion of mission appointees. Missions such as

Table 3
Mission staff on short-term loan for the start-up of new missions

A. 1 July to 31 December 1998

	To					
	MINURCA		*UNOMSIL*		*Cambodia electoral*	
From	*Field Service*	*Local level*	*Field Service*	*Local level*	*Field Service*	*Local level*
UNFICYP	1	-	1	-	-	-
UNIFIL	2	-	6	-	-	-
UNLB	1	-	2	-	-	-
MINURCA	-	-	-	-	1	-
MONUA	1	-	-	-	-	-
UNTSO	2	-	1	-	-	-
UNMIBH	1	-	2	-	-	-
UNDOF	-	1	1	-	-	-
UNMOGIP	-	-	1	-	-	-
Total	**8**	**1**	**14**	**-**	**1**	**-**

B. 1 January to 30 June 1999

	To							
	MINURCA		*UNAMSIL*		*UNMIK*		*UNAMET*	
From	*Field Service*	*Local level*	*Field Service*	*Local level*	*Field Service*	*Local level*	*Field Service*	*Local level*
UNFICYP	1	-	-	-	-	-	-	-
UNIFIL	2	-	2	-	7	-	14	1
UNLB	1	-	-	-	3	-	2	-
MINUGUA	-	-	-	-	-	-	-	1
MINURSO	-	-	-	-	4	-	-	-
MONUA	1	-	1	-	3	-	-	-
UNTSO	-	-	1	-	6	-	14	-
UNMIBH	3	-	-	-	33	-	9	-
UNDOF	-	-	1	-	2	-	3	-
UNIKOM	-	-	-	-	-	-	2	-
UNMOGIP	-	-	-	-	1	-	2	-
UNMOT	-	-	-	-	1	-	-	-
Total	**8**	**-**	**5**	**-**	**60**	**-**	**46**	**2**

UNMIK and MINURSO have a much higher proportion of mission appointees in the substantive areas because staff with the required qualifications are not readily available in such areas as public information, humanitarian assistance, human rights and political affairs within the United Nations system, and the Secretariat therefore often has to resort to outside recruitment. The Committee was provided with information, shown in table 4, on the percentage of Professional staff who are classified as mission appointees for the period from 1 July 2000 to 30 June 2001. **The Committee calls for maximum utilization of mission appointees.**

25. The Advisory Committee recalls its comments in its report of 1 April 1999 (A/53/895/Add.1, para. 47) that it had been informed that there were no operational impediments that would bar the hiring of 300-series employees in established peacekeeping duty stations. The Committee was informed, upon request, that during the period from 1 July 1998 to 30 June 1999, a total of 75 appointments of limited duration were granted to Local level personnel in established missions, including UNIFIL (55), UNDOF (4), the United Nations Truce Supervision Organization (UNTSO) (13), the United Nations Military Observer Group in India and Pakistan (UNMOGIP) (2) and the United Nations Logistics Base at Brindisi (UNLB) (1). Appointments of limited duration have been used for the recruitment of temporary replacements of Local level personnel in these established missions because such appointments are relatively easier to administer. The Committee was provided with the principles and guidelines for the employment of appointments of limited duration recommended by the International Civil Service Commission[3] and endorsed by the General Assembly in its resolution 52/216 of 22 December 1997 (see annex IV).

26. The Advisory Committee requested information on the number of international General Service posts converted to local posts in response to General Assembly resolution 53/233 of 8 June 1999 (see table 5). The Committee notes that, in compliance with General Assembly directives, efforts have been made in some established missions (e.g., UNMIBH) to reduce the costs of employing international General Service staff by recruiting more local staff. **While the Committee recognizes that in some situations such conversions may not be feasible, it encourages the practice of continuing to seek opportunities for conversion. The Committee believes that in new missions (e.g., UNTAET) the number of National Professional Officers should be increased and assigned to the various components of the mission. The Committee recalls that in its report on the financing of UNMIK, it recommended that a study be carried out on the utilization of National Professional Officers in all future peacekeeping operations (A/54/622, para. 40).**

27. The Advisory Committee notes that in some missions a large number of posts have been classified at an inflated level and that many may be unnecessary in relation to the functions described in the operational plans of the missions. The Committee was informed that the development of job descriptions and the classification of peacekeeping operation posts have been delegated by the Office of Human Resources Management to the Department of Peacekeeping Operations. **The Committee calls for greater involvement of the Office of Human Resources Management in the development of job descriptions and the classification of posts so that the overall uniformity of peacekeeping post levels with respect to the rest of the Secretariat is ensured. The Committee also requests that the Secretary-General present an analysis of problems encountered in attracting and retaining qualified personnel for peacekeeping operations.**

United Nations Volunteers

28. **The Committee has recommended efforts to increase the number of United Nations Volunteers and local staff. This might permit an eventual decrease in the number of international General Service staff, in compliance with General Assembly resolution 53/233. The Committee has recommended that a study be made of the potential for wider use of United Nations Volunteers to meet the requirements of peacekeeping missions. The study should be made available to the Assembly by the main part of its fifty-fifth session (see A/54/622, para. 38).**

Table 4
Percentage of professional staff who are classified as mission appointees for the period from 1 July 2000 to 30 June 2001

Mission	*Percentage*
MINURSO	70
UNAMSIL	70
UNDOF	0
UNFICYP[a]	67
UNIFIL	0
UNIKOM	6
UNLB	0
UNMIBH	70
UNMIK	65
UNOMIG	32
UNTAET	0

[a] UNFICYP being a family duty station, staff recruited specifically for UNFICYP are appointed under the 100 series of the Staff Rules.

Table 5
Number of international General Service posts proposed for conversion to local posts for the period from 1 July 2000 to 30 June 2001

MINURSO	-
UNAMSIL	-
UNDOF	-
UNFICYP	-
UNIFIL	3
UNIKOM	-
UNLB	-
UNMIBH	10
UNMIK	-
UNOMIG	-
UNTAET	-
Total	**13**

Procurement and inventory

29. With regard to its previous recommendations on procurement matters for peacekeeping operations, the Advisory Committee notes progress made in the reporting period ending 30 June 1999 (see A/54/801, para. 15). The Committee notes, for instance, progress in the planning and acquisition of vehicles and other items through the use of volume purchase agreements or systems contracts, which have led to substantial savings. Furthermore, the Committee notes that there had been savings as a result of a substantial increase in the proportion of peacekeeping procurement done in the field, as, for example, in UNFICYP and UNIKOM, and that further savings could be obtained with an increase in the threshold of procurement that can be handled locally by field missions. The Committee also notes that, as indicated by the Board of Auditors, there has been a large increase in local procurement in some missions (e.g.,UNIFIL, UNMOT, UNTSO, UNDOF, MIPONUH, UNIKOM, UNOMIG, the United Nations Mission in the Central African Republic (MINURCA) and MINURSO); however, in only two (MINURCA and UNIFIL) were procurement plans prepared, while in one (MIPONUH) a plan was prepared for international procurement. In the other six missions no plan was prepared to guide procurement activities, resulting in purchases of similar items on a piecemeal basis.[4]

30. In this connection, the Advisory Committee stresses the need for further information on the impact of the decentralization of procurement activities and of the increase in the threshold of procurement that can be handled by field missions under delegated authority upon the staffing and other resources at Headquarters. Resources that might be released at Headquarters as a result of the decentralization of procurement could be used to increase further the capacity for procurement planning at Headquarters, with a view to reducing the lead time for mission needs. The Committee requests that this and the issue of procurement levels and executing units at Headquarters, in the field and in regional areas, in terms of both value and the number of procurement actions, be examined. The Committee also requests that the matter of the reserve stock for peacekeeping missions, including alternative methods of maintaining standby arrangements, be reviewed. The result should be reported to the Committee in the context of the next review of the budgets for the period 2001/02.

31. The Advisory Committee notes that, as indicated by the Board of Auditors,[5] a number of field missions failed to prepare and submit to the Procurement Division at Headquarters relevant forms evaluating the performance of suppliers whose contracts exceeded $200,000. **The Committee stresses the need to comply with the recommendation of the Board of Auditors that all field missions report on the performance of vendors and contractors in accordance with the established procedure.**

32. The Advisory Committee notes, with respect to the role of the United Nations Logistics Base at Brindisi, that the Base executed several procurement actions in connection with urgent requirements of missions (A/54/711, para. 8). Savings have resulted from the regular use of Brindisi stock. The Committee was informed that the value of throughput for the Base is estimated at $60 million; it has $18 million in stock and $15 million worth of maintenance stock. **The Committee believes that an enhanced role for the Base to increase the capacity for procurement for peacekeeping operations and start-up of new or expanded peacekeeping missions needs to be examined. For example, the Committee has recommended that the potential for use of the Base as a training and regional procurement centre be explored (A/54/841/Add.8, paras. 10 and 25).**

33. The Advisory Committee notes that, in accordance with the resourcing policy approved by the General Assembly in its resolution 52/1 B of 26 June 1998, the Base receives surplus serviceable equipment from liquidating missions and charges the missions for the cost of repairing, refurbishing and preserving the equipment at a rate equal to 30 per cent of the total depreciated value of the equipment. The cost for the work done at the Base is, therefore, not allotted to the Base but to the liquidating mission concerned, and the related expenditure incurred by the Base is settled through inter-office vouchers between Headquarters and the Base. **The Committee recommends that the efficiency of this procedure be reviewed and that the full cost of these activities be disclosed in the next budget presentations.**

34. In connection with the Base, the Advisory Committee notes that, as indicated by the Board of Auditors,[6] the disposal of the assets of the United

Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) included obsolete items transferred to other United Nations missions and to the Base. **The Committee endorses the view of the Board that in future the cost-effectiveness of any proposed transfer of assets should be properly evaluated in all missions under liquidation. The Committee has noted the progress made by the Secretariat in mission liquidation, but it is of the view that the capacity for and the efficiency of the mission liquidation activities are areas that require sustained improvement on the part of the Secretariat.**

35. With respect to the use of new technology in peacekeeping missions, the Advisory Committee acknowledges the need to provide missions with additional capacity, such as in data processing and communications. However, the Committee cautions against the tendency to automatically requisition state-of-the-art equipment in all cases.

36. Upon request, the Advisory Committee was provided with detailed information on the current replacement policy for data-processing equipment, communications equipment, vehicles and transport equipment. The Committee notes that the automatic replacement of vehicles that have reached the replacement threshold age of five years or that have been driven more than 120,000 kilometres has not been applied in all cases, but that rather there has been a pragmatic approach. Vehicles have been replaced not merely because they have reached the replacement age, but because they are no longer usable or it is no longer economical to continue to operate them. **In the view of the Committee, the current replacement cycles for various inventory items should be made more transparent in the reports. In addition to implementation of the current replacement policy, other reasons for replacement (e.g., extensive damage due to accidents or loss due to hostile action or theft) should be indicated in a more transparent manner in future performance reports.**

37. The Advisory Committee has indicated in the past that inventory management and control need further improvement and that poor inventory management often leads to excessive requests for new acquisitions (see, for example, A/53/895, para. 26, and A/53/940, para. 7). **While the Committee acknowledges that some progress has been made in accounting for inventory, it does not believe the management problems identified in the past have been fully redressed. In the Committee's opinion, information provided was not always of much help in evaluating the requests for additional acquisition because of discrepancies and inconsistencies in the information provided.**

38. The Advisory Committee enquired as to the use of the field assets control system to manage and control inventory and has concluded, on the basis of information from representatives of the Secretary-General, that the overall objective and benefits of the system have yet to be achieved. The Committee notes that despite the passage of time and repeated requests, inventory management remains a cause of concern. Standard inventory management procedures are still not visibly in operation. For example, columns providing the standardized item code classification for the different types of items, their date of purchase and their normal or anticipated life expectancy were not forthcoming. Without such a standardized system, it is impossible to track inventory as well as cases of mismanagement or avoidable loss. **Given the new surge in peacekeeping operations and the high inventory values involved, the Committee reiterates that all stages of the field assets control system must be implemented within the shortest possible period of time, and suggests that a progress report on the implementation of its initial stage be submitted to the General Assembly by the beginning of its fifty-fifth session. The Committee also requests that summary reports of inventory be readily available.**

Training

39. The Advisory Committee was informed of the increased emphasis on training programmes in peacekeeping operations. As indicated in annex V, the total allocation for training in all missions amounted to $655,000 for the period 1999/00 according to the performance reports and the estimate for the period 2000/01 amounted to $915,100 according to the proposed budgets. **The Committee welcomes this increase, but requests that the criteria for setting training priorities be stated in a more transparent manner. In the view of the Committee, in order to optimize the use of resources and avoid a piecemeal approach, areas and costs for training should be more clearly stated in the budget reports, including weaknesses and shortcomings that the training**

programmes intend to address as well as the number of personnel to be trained and the institutions or facilities to be used for training at the central, regional or local level. The Committee recommends that in the context of future budgets the number of personnel to be trained, the related costs and the areas of training should be included in the supplementary information supplied to the Committee. It is also of the view of that before personnel are selected for training, their availability for mission service should be confirmed by the Administration.

40. The Advisory Committee noted little information in the reports about staff security training, although a number of missions continued to operate in an unstable security environment. In UNOMIG, for example, the Committee noted that personnel and property were subjected to acts of violence, and staff security continues to be very precarious.

41. The Advisory Committee was informed that training in security matters was conducted under the aegis of the United Nations Security Coordinator. In this connection, the Committee recalls its comments and recommendations contained in its first report on the proposed programme budget for the biennium 2000-2001.[7] **The Committee is of the view that the costs and related policy issues of civilian security in the field can no longer be pursued in a piecemeal manner. The Committee has strongly urged the organizations of the United Nations system to carefully coordinate their security and safety activities at the field level. In the Committee's opinion, there is a need to have a comprehensive system-wide approach under the aegis of the United Nations. This would avoid the potential for a conflict in policy, activities and guidelines that might endanger the security and safety of United Nations personnel and family members. Accordingly, the Committee recommends that the report it requested be expedited and submitted to the General Assembly at its fifty-fifth session.**

42. In connection with issues of security and safety of United Nations personnel, the Advisory Committee understands that an investigation of the crash on 12 November 1999 of the plane to Kosovo chartered by the World Food Programme (WFP) is being carried out by WFP and that a study of air safety in United Nations operations is being conducted by the International Civil Aviation Organization. The Committee trusts that the lessons learned will receive general application in the United Nations system, including in the United Nations peacekeeping operations.

Coordination and collaboration in the field

43. The Advisory Committee notes that coordination and collaboration among partners in operational areas in mission activities, including humanitarian operations and security matters, have not always been clearly explained in reports of the Secretary-General to the Security Council or in the budget reports, as in the case of UNMIBH. **The Committee requests that in future information be given indicating the mechanisms for coordination and the various roles and functions of partners.**

44. In relation to coordination with other funding partners, the Advisory Committee is of the view that the establishment, financing and expenditure of trust funds and other extrabudgetary funds made available to implement mission mandates need to be more transparent. The Committee was informed, for example, that in UNMIBH contributions received by the fund for training and restructuring the local police fell short of requirements. In the view of the Committee, this affects a mission's ability to fulfil its mandate, even though support from the assessed budget may be provided.

45. The Advisory Committee has noted from time to time reference being made to costs for environmental activities in peacekeeping operations. However, in the Committee's opinion, there does not appear to be a coordinated approach to this issue. Accordingly, the Committee recommends that this issue be studied in a comprehensive manner. Experience in field missions should be studied with a view to identifying lessons learned for wide application and for establishing the best method and means of dealing with the environmental consequences of the activities and operations of United Nations forces in the field.

Insurance

46. The Advisory Committee was provided with information on third-party vehicle liability insurance (see annex VI). **The Committee recommends that the**

Secretariat collect data systematically on incidents that give rise to high premiums, such as accidents, theft and the like. These should be evaluated with a view to determining the best way for management to deal with them. The Committee was also provided, upon request, with information on the current master aviation liability insurance policy, including requirements for war-risk insurance for aircraft leased under letters of assist and commercial arrangements. The current master aviation liability insurance policy provides a $25 million liability limit per occurrence for third-party claims involving aircraft accidents. Its scope covers three areas: (a) contingent non-owned excess liabilities in respect of leased or chartered aircraft operations; (b) third-party liability including passengers for bodily injury and property damage arising out of the operation of aircraft (excluding troops and United Nations employees); and (c) liability involving mobile equipment and the like either owned by or in the care, custody or control of the insured party. While no distinction is made under the policy between helicopters and fixed-wing aircraft, the coverage varies between aircraft under letter-of-assist arrangements and commercial aircraft. Aircraft under letters of assist are covered on a "first-dollar" basis and have only third-party liability with a limit of $25 million per occurrence for third-party claims. Coverage for commercial aircraft includes: (a) a contingent policy that includes comprehensive third-party liability for a combined minimum of $20 million per occurrence, basic war-risk insurance, full aircraft insurance including all risk, both in-flight and not, and workmen's compensation insurance, which is provided in the contract between the United Nations and the vendor; (b) third-party liability insurance under the master aviation policy, which covers the difference between the settlement amount and the third-party portion of the contingent policy; and (c) additional war-risk insurance, which is a requirement of the insurer of the contingent policy for aircraft flown in hostile environments.

III. Other matters

Losses of United Nations property in peacekeeping operations

47. The Advisory Committee considered the report of the Secretary-General on losses of United Nations property of peacekeeping operations (A/54/669 and Corr.1). The report was submitted pursuant to General Assembly resolutions 53/230 and 53/235 of 8 June 1999 and provides an update on losses of United Nations property in peacekeeping operations for the period from 1 January 1996 to 31 December 1997. The report also provides an update on additional measures taken by the Secretariat to ensure the safety of United Nations peacekeeping assets since 1998 (ibid., paras. 10-20).

48. The Advisory Committee recalls that the Secretary-General provided a comprehensive report on losses of United Nations property in peacekeeping operations covering a period of three years, from 1 January 1993 to 31 December 1995 (A/53/340). In that report, the Secretary-General also provided a description of the initiatives undertaken by the Secretariat to mitigate losses of United Nations property (ibid., paras. 15-30).

49. The Advisory Committee notes that the report on losses of United Nations property in peacekeeping missions includes all missions that were operational or under liquidation during the period 1996/97 (A/54/669 and Corr.1, para. 6), with the exception of the United Nations Assistance Mission in Rwanda (UNAMIR). As indicated in paragraph 5 of the report, a separate report on the final disposition of assets of UNAMIR was to be submitted to the General Assembly at its fifty-fourth session. Furthermore, because of the size of the property holdings of the United Nations Peace Forces (UNPF), statistics on losses of assets in UNPF during the period under review is presented separately in annex II of the report.

50. The Advisory Committee notes that the report on property losses provides updated statistics on losses using the same categories and methodology used in the previous report (A/53/340). Accordingly, losses of property written off include those due to accidents, negligence, acts of war or hostilities and theft, as well as those unaccounted for (see A/54/669 and Corr.1, table 1). The information provided excludes those assets that have been written off or disposed of because of normal wear and tear or obsolescence.

51. The Advisory Committee recalls that in its report of 1 April 1999 (A/53/895, para. 52) it had indicated that the definition of loss due to negligence was not clear, in particular as to what might constitute gross carelessness in the definition of negligence (see

A/53/340, para. 5(c)) and the relationship between this definition and the threshold of gross negligence. **The Committee requests that this issue be clarified in the next report on losses of United Nations property of peacekeeping operations.**

52. The Advisory Committee believes that further progress needs to be made in the methods of collecting, classifying and analysing the data presented in the report. This includes providing comparative statistics on recovery and loss over the same time period and analysing the causes of loss, with particular emphasis on the distinction between negligence and gross negligence.

53. In connection with the action that the General Assembly may take at its fifty-fourth session on the loss of United Nations assets in peacekeeping operations, the Advisory Committee recommends that the Assembly take note of the report of the Secretary-General (A/54/669 and Corr.1).

Notes

[1] *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 5* (A/54/5), vol. II, chap. II.

[2] Ibid., paras. 25-30.

[3] Ibid., *Fifty-second Session, Supplement No. 30* (A/52/30), annex XX.

[4] Ibid., *Fifty-fourth Session, Supplement No. 5* (A/54/5), vol. II, chap. II, paras. 59-61.

[5] Ibid., paras. 101 and 102.

[6] Ibid., para. 162.

[7] Ibid., *Supplement No. 7* (A/54/7), para. X.27.

Annex I

Financial performance of peacekeeping missions for the period from 1 July 1998 to 30 June 1999[a]

(Thousands of United States dollars)

Mission	(1) Secretary-General's budget	(2) Reduction recommended by Advisory Committee	(3) General Assembly appropriation	(4) Absorption of prior year obligations	(5) Absorption for UNLB	(6) Unencumbered balance	(7) Variance (2)+(4)+(5)+(6)	(8) Variance (per cent) (7)÷(1)
MINURCA[b]	61 946.8		61 946.8	-	-	3 193	3 193	5.2
MINURSO[c]	65 053.2	5 053.2	58 850.5	-	-	15 392	20 445	31.4
MIPONUH[d]	29 100.6	26.0	29 074.6	-	-	3 707	3 733	12.8
MONUA[e]	130 800.0	-	130 800.0	-	-	149.4	149.4	0.1
UNDOF	33 247.5		33 247.5		281.4	1 737	2 019	6.1
UNFICYP	43 009.0	-	43 009.0	-	363.2	374.0	737.2	1.7
UNIFIL	140 044.2		140 044.2		1 146.0	8 329	9 475	6.8
UNIKOM	50 611.3	1 085.9	49 525.4	18.8	419.5	2 182	3 707	7.3
UNMIBH	190 921.2	10 921.2	180 000.0	-	1 519.5	19 642	32 083	16.8
UNMOT	22 282.1	2 282.1	20 000.0	-	66.5	3 639	5 988	26.9
UNOMIG[f]	18 449.4	-	18 449.4	-	158.6	(1 076	(918.1)	-5.0
UNOMSIL[g]	24 323.5	2 323.5	22 000.0	-	-	9 116	11 439	47.0
UNPREDEP[h]	42 008.9		42 008.9	-	-	1 161	1 161	2.8
UNTAES/ Support Group	7 121.4	21.4	7 100.0	-	61.4	263.2	346.0	4.9
Total	**858 919.1**	**21 713.3**	**836 056.3**	**18.8**	**4 016.1**	**67 813**	**93 561**	**10.9**

[a] Figures are shown in gross amounts and exclude amounts for the support account for peacekeeping operations.

[b] Excludes budgeted voluntary contribution in kind of $2,448,200. Absorption of the Mission's prorated share of the financing of the United Nations Logistics Base at Brindisi was reflected in the additional appropriation for the Mission for the 1998/99 period (General Assembly resolution 53/238).

[c] An amount of $46,031,077 gross has been assessed on Member States resulting in the unutilized balance of assessments of $1,423,377 gross, equivalent to 3 per cent of the amount assessed (see A/54/780). Absorption of the Mission's prorated share of the financing of the Logistics Base was reflected in the additional appropriation for the Mission for the 1998/99 period (General Assembly resolution 53/18 A).

[d] Excludes budgeted voluntary contributions in kind of $1,999,900. Absorption of the Mission's prorated share of the financing of the Logistics Base was reflected in the revised cost estimates contained in document A/53/789.

[e] Absorption of the Mission's prorated share of the financing of the Logistics Base was reflected in the additional appropriation for the Mission for the 1998/99 period (General Assembly resolution 53/211).

[f] Excludes budgeted voluntary contributions in kind of $2,294,000 and commitment authority of $1,534,400 provided by the Advisory Committee.

[g] An amount of $16,167,100 gross has been assessed on Member States resulting in the unutilized balance of assessments of $3,283,300 gross equivalent to 20 per cent of the amount assessed (see A/54/778). No provision was made for the financing of the Logistics Base.

[h] Absorption of the Mission's prorated share of the financing of the Logistics Base was reflected in the revised cost estimates contained in A/53/437/Add.1.

Annex II

Estimated gross budgetary requirements proposed by the Secretary-General for each peacekeeping operation for the period from 1 July 2000 to 30 June 2001[a]

(*United States dollars*)

MINURSO	46 611 600
MONUA	143 500
UNAMSIL	476 726 400
UNDOF	34 346 700
UNFICYP	41 039 800
UNIFIL[b]	139 367 600
UNIKOM	49 818 000
UNMIBH	153 588 000
UNMIK	461 380 600
UNOMIG	28 399 800
UNTAET	584 138 100
Total	**2 016 160 100**

[a] Exclusive of provisions for the support account for peacekeeping operations and the United Nations Logistics Base at Brindisi, which are budgeted for and approved separately but whose financing is subsequently prorated in the financing resolutions for each of the individual peacekeeping missions.

[b] Excluding budgeted voluntary contributions totalling $180,000.

Annex III

Vacancy rates at peacekeeping operations for the period from 1 July 1998 to 30 June 1999

(*Percentage*)

Peacekeeping operation	*Vacancy factor applied in the initial budget estimates*	*Actual average vacancy rate*
MINURCA[a]		
Professional	5	26
General Service/Field Service	5	7
Local	5	2
MINURSO		
Professional	10	54
General Service/Field Service	10	17
Local	10	7
MIPONUH		
Professional	-	5
General Service/Field Service	-	13
Local	-	-
MONUA[b]		
Professional	5	34
General Service/Field Service	5	20
Local	5	25
UNDOF		
Professional	-	12
General Service/Field Service	-	8
Local	-	4
UNIFIL		
Professional	5	12
General Service/Field Service	5	14
Local	-	-
UNFICYP		
Professional	-	2
General Service/Field Service	-	10
Local	-	1
UNIKOM		
Professional	5	32
General Service/Field Service	5	15
Local	5	11
United Nations Logistics Base at Brindisi		
Professional	-	13

Peacekeeping operation	*Vacancy factor applied in the initial budget estimates*	*Actual average vacancy rate*
General Service/Field Service	-	-
Local	-	-
UNMIBH		
Professional	5	10
General Service/Field Service	5	14
Local	5	5
UNMOT		
Professional	-	32
General Service/Field Service	-	20
Local	-	20
UNOMIG		
Professional	10	15
General Service/Field Service	10	3
Local	-	3
UNOMSIL[c]		
Professional	-	29
General Service/Field Service	-	35
Local	-	52
UNPREDEP[d]		
Professional	42	36
General Service/Field Service	-	19
Local	23	18
UNTAES/Support Group		
Professional	-	20
General Service/Field Service	-	17
Local	-	(11)

[a] Subsequently revised to 10 per cent for international and local personnel (see A/53/939).
[b] Subsequently revised to 15 per cent for international and 10 per cent for local personnel (see A/53/722, annex II).
[c] Based on the phasing-in of civilian personnel.
[d] Vacancy rates are commensurate with the phasing-out schedule.

Annex IV

Principles and guidelines for employment of appointments of limited duration

Principles

(a) In the recruitment of staff under appointments of limited duration, the highest standards of efficiency, competence and integrity should be the paramount consideration, as for other staff;

(b) The independence and international character of the international civil service should be preserved;

(c) Appointments of limited duration do not carry any expectancy of automatic conversion to any other type of appointment;

(d) Appointments of limited duration should not be used abusively to extend the employment of staff;

(e) Appointments of limited duration employment should not be at the expense of the core international civil service;

(f) Due regard should be paid to the importance of recruiting the staff on as wide a geographical basis as possible;

(g) Organizations' policy imperatives in the area of gender balance should not be compromised;

(h) There should be a reasonable correlation with the conditions of service of other groups of staff;

(i) Compatibility with job classification principles should be observed (equal pay for equal work);

(j) Appointments of limited duration employment arrangements should not create competition for staff among organizations;

(k) Appointments of limited duration arrangements should support the concept of the United Nations system as a good employer: hence they should incorporate adequate social security coverage;

(l) These arrangements should be developed with staff consultation and should be characterized by transparency and feedback.

Guidelines

(a) Staff members with appointments of limited duration will pledge themselves to discharge their functions and to regulate their conduct with the interests of the United Nations only in view. They shall neither seek nor accept instructions from any Government or from any other authorities external to the Organization. They will be bound in their conduct by the obligations pertaining to the staff members of the United Nations and the specialized agencies;

(b) Appointments of limited duration staff will have the status of "Official" in terms of the Convention on the Privileges and Immunities of the United Nations and the conventions of the specialized agencies;

(c) Salary is established as one lump-sum amount. This amount is determined within a range or band corresponding to the net base salary (gross base salary minus staff assessment) at current grades or groups of grades. Additions to this base take into account a number of allowances and benefits applicable to regular staff, which are incorporated in the lump sum remuneration;

(d) Annual leave will be granted in accordance with organizations' provisions for short-term staff;

(e) Sick leave will be granted in accordance with organizations' provisions for short-term staff. Staff with appointments of limited duration are eligible for maternity leave;

(f) Staff with appointments of limited duration will be covered against service-incurred illness, injury or death;

(g) Staff with appointments of limited duration will be insured by organizations against ill health and, where appropriate, war risk;

(h) Travel entitlements and installation costs will be paid in a lump sum on the basis of requirements (including family considerations, etc.);

(i) Staff with appointments of limited duration are eligible for medical and security evacuation like other staff;

(j) Staff with appointments of limited duration are entitled to the right to appeal administrative decisions following the same procedures used for other staff members;

(k) Appropriate medical clearance is to be obtained before recruitment and dispatch of a staff member under an appointment of limited duration;

(l) Staff with appointments of limited duration will receive the same termination indemnities as those payable to short-term staff.

Annex V

Training programmes

Resources made available for the period from 1 July 1999 to 30 June 2000 and proposed for the period from 1 July 2000 to 30 June 2001

(*United States dollars*)

	1999 00	*2000 01*
MINURCA	-	N/A
MINURSO	-	42 000
MIPONUH	12 000	N/A
MONUA	-	N/A
UNOMSIL/UNAMSIL	27 000	59 600
UNDOF	-	50 400
UNFICYP	15 000	34 500
UNIFIL	26 000	123 000
UNIKOM	15 000	15 000
United Nations Logistics Base at Brindisi	40 000	43 000
UNMIBH	129 500	198 700
UNMIK	358 500	256 900
UNMOT	-	N/A
UNOMIG	32 000	53 000
UNPREDEP	-	N/A
UNTAES/Support Group	-	N/A
UNTAET	-	39 000
Total	**655 000**	**915 100**

N/A, not applicable.

Annex VI

Worldwide third-party vehicle liability insurance programme

The worldwide vehicle third-party liability insurance programme covers not only vehicle fleets at peacekeeping missions but also large vehicle fleets belonging to other United Nations offices, agencies and programmes (United Nations Development Programme, United Nations Children's Fund, United Nations Office for Project Services and others).

The insurer of the programme is selected every year on the basis of a widespread competitive marketing exercise (request for quotations) conducted by United Nations brokers for this programme on instructions from the Insurance, Claims and Compensation Section of the Office of Programme Planning, Budget and Accounts. The major objective of the annual renewal exercise is to seek the lowest-cost premium that meets the policy specifications established by the United Nations (particularly the continuation of worldwide claims-servicing arrangements and a guaranteed cost policy structure).

Over the years, every effort has been made to seek proposals and quotations for this complex programme from as geographically wide a range of insurance companies as possible. However, the nature of the programme, in particular the locations and operational circumstances of the major fleets covered under the policy and the high level of losses, has proven to be unattractive to most insurance concerns which have declined the risk in past marketing exercises.

For the policy year 1 July 1999 to 30 June 2000, indications of interest and quotations were solicited from a total of seven major insurance concerns in the United States of America, the United Kingdom of Great Britain and Northern Ireland and Europe. Those insurers that have consistently declined to underwrite the United Nations risk were not invited to participate in the marketing exercise. As in the prior year, quotations were received from two insurers, AIU and Lloyd's of London. AIU was selected in accordance with United Nations financial rule 110.21 on the recommendation of the Headquarters Committee on Contracts, on 22 June 1999.

The premium rates effective 1 July 1999 to 30 June 2000 are shown in column 1. For comparison purposes, the rates for the prior period, 1 July 1998 to 30 June 1999, are provided in column 2.

Territory	Rate per unit (United States dollars) (1) 1999/00	(2) 1998/99
Worldwide (XS/DIC)[a]	60	60
Afghanistan (primary)	200	200
Albania (primary, newly added)	200	-
Angola (primary)	465	475
Cambodia (primary)	174	174
Commonwealth of Independent States[b] and Georgia (primary)	200	200
East Timor (XS/DIC, newly added)[c]	150	-
Former Yugoslavia (primary)	662	650
Haiti (primary)	463	474
Iraq (primary, newly added)	524	-
Israel (primary)	750	829
Middle East (primary)	490	490
Mozambique (primary)	200	200
Somalia (primary)	270	270
Viet Nam (primary)	200	302
Military-type (primary)	350	350

[a] The worldwide (XS/DIC) coverage component relates to all vehicles worldwide for which primary local third-party insurance exists. The worldwide policy in this case provides at low cost coverage up to $1.0 million per occurrence and fills in where the local underlying coverage may not fully apply.

[b] Includes Kyrgyzstan, Azerbaijan, Uzbekistan, Kazakhstan, Tajikistan and Turkmenistan.

[c] The XS/DIC East Timor rate is $150 due to the low level of local underlying coverage.

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Financing of the United Nations Peacekeeping Forces in the Middle East: United Nations Disengagement Observer Force

United Nations Disengagement Observer Force

Report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

1. The Advisory Committee on Administrative and Budgetary Questions has considered the performance report for the United Nations Disengagement Observer Force (UNDOF) for the period from 1 July 1998 to 30 June 1999 (A/54/707) and the proposed budget for UNDOF for the 12-month period from 1 July 2000 to 30 June 2001 (A/54/732). During its consideration of these reports, the Advisory Committee met with representatives of the Secretary-General and the Chief Administrative Officer of the mission, who provided additional information.

2. UNDOF was established by the Security Council in its resolution 350 (1974) of 31 May 1974 to supervise the ceasefire called for by the Council and the agreement on disengagement between Israeli and Syrian forces for an initial period of six months. Its mandate has since then been extended and adjusted by the Council in subsequent resolutions, the latest being resolution 1276 (1999) of 24 November 1999, in which the mandate of the Force was extended until 31 May 2000.

3. The Advisory Committee was informed that amounts totalling $1,211.9 million had been assessed on Member States for the period from inception until 31 December 1999, and that payments totalled $1,161.5 million, leaving a shortfall of $50.4 million.

4. Moreover, as of 31 January 2000 cash balances amounted to $27.4 million. The Advisory Committee was also informed that troop-contributing countries had received payments totalling $118,301,440 for the period from 1 December 1989 to 30 April 1999 and that an estimated amount of $9,071,716 was still due for the period from 1 May to 31 December 1999.

Performance report for the period from 1 July 1998 to 30 June 1999

5. The performance report (A/54/707) contains information on the financial performance of UNDOF for the period from 1 July 1998 to 30 June 1999. The report also outlines the action to be taken by the General Assembly at its fifty-fourth session in connection with the financing of UNDOF.

6. Paragraph 7 and table 1 of the performance report indicate that total resources made available to UNDOF for the period from 1 July 1998 to 30 June 1999 amounted to $35,400,100 gross ($34,506,400 net),

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inclusive of the amount of $1,756,200 for the support account for peacekeeping operations. Expenditures amounted to $33,662,500 gross ($32,916,100 net), leaving an unencumbered balance of $1,737,600 gross ($1,590,300 net) — approximately 4.9 per cent of the amount appropriated. Upon enquiry, the Advisory Committee was informed that unliquidated obligations as at 31 December 1999 had been reported at $13,316,672. Of that total amount, $9,222,510 was government-related, while $4,094,162 was not.

7. The Advisory Committee notes that the savings realized during the reporting period are mostly attributable to civilian vacancies, favourable unit costs obtained for the purchase of vehicles under systems contracts, favourable exchange rates and reduced procurement of equipment and supplies because of the availability of some of those items at the United Nations Logistics Base at Brindisi, Italy.

8. The Advisory Committee notes that savings totalling $601,700 are reported under civilian personnel costs out of a budgeted provision of $5,553,900. This was due mostly to the average monthly vacancy rate of 8 per cent for international staff and 4 per cent for local staff for the period, as well as the impact of the depreciation of the local currency on local staff costs.

9. Savings of $1,390,800 out of a budgeted provision of $4,550,500 are reported under transport operations. The Advisory Committee notes that an amount of $1,274,000 was saved as a result of the volume discounts obtained from systems contracts for vehicle purchases and the non-purchase of 27 vehicles because of the transfer of some vehicles and spare parts from the United Nations Logistics Base at Brindisi. Additional savings are reported under this budget item as a result of favourable exchange rates, which had an impact on workshop equipment, where savings of $10,100 are indicated, on petrol, oil and lubricants ($38,700), and under spare parts, repairs and maintenance ($65,000). Favourable exchange rates were also responsible for the under-expenditure of $214,000 reported under premises and accommodation, resulting from lower costs under maintenance supplies and services, as well as utilities.

10. However, the Advisory Committee notes that additional requirements of $143,200 are reported under military personnel costs. As indicated in paragraph 1 of annex II to the performance report, this was mostly the result of higher local costs during the interim four-month period between the expiry of an old rations contract and the awarding of a new one after competitive bidding. The Committee sought additional information since, in the case of the United Nations Interim Force in Lebanon (UNIFIL), savings, rather than over-expenditures, are reported as a result of the expiry of an old contract and the awarding of a new one. The Committee was informed that whereas UNIFIL had a larger stock capacity, UNDOF had the capacity to store only one month's reserve of rations. **The Committee trusts that, in future, there will be sufficient planning to allow for the necessary lead-time, thus avoiding excessive costs.**

11. The performance report indicates, in paragraph 9, that the action to be taken by the General Assembly at its fifty-fourth session in connection with the financing of UNDOF is a decision on the treatment of the unencumbered balance of $1,737,600 gross ($1,590,300 net) for the period from 1 July 1998 to 30 June 1999. **The Advisory Committee recommends that Member States be credited their respective shares of the unencumbered balance for the period in question in a manner to be determined by the Assembly.**

Proposed budget for the period from 1 July 2000 to 30 June 2001

12. The cost estimates submitted by the Secretary-General in his report on the proposed budget of UNDOF for the period from 1 July 2000 to 30 June 2001 (A/54/732) amount to $34,946,700 gross ($34,195,300 net). As indicated in paragraph 2 and table 1 of that report, the proposed requirements represent a 5.1 per cent increase in relation to the appropriation of $33,247,500 for the period from 1 July 1999 to 30 June 2000. The increase in proposed resources is due to an increase in requirements under salaries and common staff costs for international and local staff, under premises and accommodation and under transport operations, offset by a decrease under communications and other equipment.

13. A decrease of $35,200 is shown under military personnel costs compared with the 1999/00 appropriation of $18,781,500. As indicated in paragraph 1 of annex I.C to the proposed budget report, reduced requirements are indicated under mission subsistence allowance as a result of a new door-to-door

delivery contract, which has reduced the need for travel by contingent personnel to pick up incoming shipments. The report indicates, in paragraph 21, that no contingent-owned equipment agreements have been signed with the troop-contributing Governments of UNDOF, with the exception of Japan. The Advisory Committee was further informed that a memorandum of understanding had been signed providing for reimbursement of seven vehicles on the basis of wet-lease rates. However, wet-lease rates are applied for budgeting purposes for all the UNDOF contingent-owned equipment.

14. The Advisory Committee was informed, as in the case of UNIFIL, that aside from the reluctance of the troop contributors to those two missions to convert to the new contingent-owned equipment arrangements, another factor militating against a faster change was that much of the equipment was United Nations-owned. The replacement of this equipment with new contingent-owned equipment, under the new arrangements, required extensive discussions and negotiations with the troop contributors involved.

15. The proposed requirements under civilian personnel costs of $5,158,000 reflect an increase of $147,700, or 3 per cent, in relation to the current apportionment. The staffing requirements of the Force provide for a total of 125 posts (38 international and 87 local), including 2 additional posts (1 P-3 Budget Officer post in Administrative Services and 1 General Service post in the Electronic Data-Processing Section), described in paragraphs 27 and 28 of the budget document. **The Advisory Committee recommends acceptance of this proposal.**

16. The Advisory Committee further notes that no vacancy rate factor has been applied to the staffing requirements and that part of the increase in requirements under this item results from a 5 per cent increase in local staff salaries effective 1 March 1999, as indicated in paragraphs 3 and 4 of annex I.C to the budget document. The Committee was further informed that, as at 31 December 1999, of the 36 international and 87 local authorized posts, 28 and 84 were encumbered respectively, resulting in a 23 per cent vacancy rate for international staff and 3.5 per cent for local staff).

17. The Advisory Committee recalls that in a previous report (A/53/895/Add.1) it referred to the use of mission appointees and the fact that it had been informed there were no staff under the 300 series of staff rules in UNIFIL, UNDOF, the United Nations Truce Supervision Organization, the United Nations Peacekeeping Force in Cyprus (UNFICYP) or the United Nations Logistics Base at Brindisi, since they were considered established duty stations. The Committee also indicated that it had been informed, upon enquiry, that there were no operational impediments preventing the hiring of 300-series employees. The Committee sought additional information in this regard and was informed by a representative of the Office of Human Resources Management of the current practices with regard to the use of limited duration contracts that relate to two pilot schemes (one at the United Nations, another at the United Nations Development Programme) approved by the International Civil Service Commission (ICSC) and endorsed by the General Assembly in its resolution 52/216 of 22 December 1997 (see also para. 25 of the Committee's omnibus report on the financing of peacekeeping operations, A/54/841). The Committee notes that ICSC is expected to continue its discussions on the issue of appointments of limited duration, based on the experience obtained up to now with both pilot projects, at its summer session this year.

18. As shown in annex I.A to the budget report, estimated requirements for operational costs increase from $8,722,800 for the period from 1 July 1999 to 30 June 2000 to $10,240,600 for the period under review — a 17.4 per cent increase. In this connection, the Advisory Committee notes an increase of $30,800 under premises and accommodation from an apportioned amount of $1,492,900 for the current 1999/00 period. Moreover, paragraph 17 of the budget report indicates that a new priority for the mission is to address the environmental consequences of the Force's activities and presence in the area of operations. As further indicated in annex I.C (para. 8) and annex II.C, for the first time, a non-recurrent provision of $200,000 is included in the budget for the treatment of human waste and disposal of UNDOF garbage, as well as related training material. The Committee was informed, upon enquiry, that a study was under way to determine the best method of implementing environmental activities. **The Committee's views and recommendations regarding the current case-by-case inclusion of resources for environmental activities are contained in paragraph 45 of its omnibus report (A/54/841).**

19. Additional requirements of $1,794,900 over the amount of $4,025,700 apportioned for the previous budget period are proposed under transport operations for 2000/01. Estimates provide for non-recurrent costs amounting to $3,950,843 for the replacement of 39 vehicles and the purchase of an additional 50 special types of vehicles. Under supplies and services, the proposed increase of $51,500 over the appropriated amount of $1,315,900 is the result of the reallocation of requirements for contractual services, as indicated in paragraph 13 of annex I.C.

20. Some decreases are proposed under operational costs, such as for communications, which is budgeted at $481,700 compared with $625,300 for the previous period, and other equipment, which is budgeted at $866,200, compared with $1,103,000 for the previous period.

21. Estimates of the direct support provided by the United Nations Truce Supervision Organization to UNDOF are contained in annex III to the budget document. In this regard, the Advisory Committee notes that for the two-year period from 1 January 2000 to 31 December 2001, the associated costs amount to $8,382,400, compared with $8,903,300 for the period from 1 January 1998 to 31 December 1999.

22. The Advisory Committee also recalls that the General Assembly, in its resolution 53/226 of 8 June 1999, upon the recommendation of the Committee (A/53/895/Add.1, para. 14), requested the Secretary-General to credit back to Member States, in a phased manner and within three years, the net balance of $13.6 million withheld as a result of the suspension of regulation 4.3 of the Financial Regulations of the United Nations. Under the terms of the same resolution an amount of $5.6 million was credited back to Member States during the fifty-third session of the Assembly. The Committee notes, as indicated in paragraph 31 of the budget document, that the Secretary-General is proposing to credit back to Member States, during the fifty-fourth session, an amount of $4,022,162, taking into account the current cash position of the Force, and to credit the remaining balance of $4,000,000 during the fifty-fifth session (2001), subject to the cash position of UNDOF at that time. **The Committee recommends acceptance of this proposal.** The Committee further notes that the Assembly, in paragraph 7 of its resolution 53/226, requested the Secretary-General to expedite the process of improving the working conditions of the Force. This issue and the measures taken by the UNDOF administration are indicated in paragraphs 32 to 34 of the budget document.

23. Paragraph 3 of the budget report outlines the actions to be taken by the General Assembly at its fifty-fourth session in connection with the financing of UNDOF. **The Advisory Committee recommends approval of the Secretary-General's proposal that the Assembly appropriate the amount of $34,946,700 gross ($34,195,300 net) for the 12-month period beginning 1 July 2000, to be assessed at a monthly rate of $2,912,225 gross ($2,849,608 net), subject to the extension of the mandate of the Force by the Security Council beyond 31 May 2000. The Committee also recommends that the Member States be credited, during the fifty-fourth session of the Assembly, the amount of $4,022,162 as part of the remaining net surplus balance held in the suspense account of UNDOF, in accordance with the provisions of paragraph 13 of resolution 53/226.**

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Financing of the United Nations peacekeeping forces in the Middle East: United Nations Interim Force in Lebanon

United Nations Interim Force in Lebanon

Report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

1. The Advisory Committee on Administrative and Budgetary Questions has considered the performance report for the United Nations Interim Force in Lebanon (UNIFIL) for the period from 1 July 1998 to 30 June 1999 (A/54/708) and the proposed budget for UNIFIL for the 12-month period from 1 July 2000 to 30 June 2001 (A/54/724). During its consideration of these reports, the Advisory Committee met with representatives of the Secretary-General and the Chief Administrative Officer of the mission, who provided additional information.

2. The United Nations Interim Force in Lebanon was established by the Security Council in its resolution 425 (1978) of 19 March 1978 for operations in southern Lebanon. The mission's mandate has been extended several times by the Council, most recently in its resolution 1288 (2000) of 31 January 2000, by which the Council extended the mandate of the Force until 31 July 2000.

3. The Advisory Committee notes that amounts totalling $3,040.5 million have been assessed on Member States in respect of UNIFIL since its inception to 31 December 1999 and that contributions received as at 31 December 1999 totalled $2,931.9 million. Outstanding balances amount to $108.6 million.

4. Cash balances as at 31 January 2000 amounted to $127.4 million. Furthermore, the Advisory Committee was informed that troop-contributing countries had received payments totalling $860,345,895 for the period from 1 December 1989 to 30 April 1999, and that an estimated amount of $38,632,863 was still due for the period from 1 May to 31 December 1999.

Performance report for the period from 1 July 1998 to 30 June 1999

5. The report of the Secretary-General on the financial performance of UNIFIL for the period from 1 July 1998 to 30 June 1999 (A/54/708) outlines the action to be taken by the General Assembly at its fifty-fourth session in connection with the financing of the Force.

6. Paragraph 12 and table 1 of the report indicate that total resources made available to UNIFIL for the period from 1 July 1998 to 30 June 1999 amounted to $142,984,560 gross ($139,133,100 net), inclusive of the amount of $7,152,700 for the support account for peacekeeping operations. Expenditures amounted to $134,655,200 gross ($131,048,500 net), resulting in an unencumbered balance of $8,329,300 gross

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($8,084,600 net). This balance, which represents approximately 5.8 per cent in gross terms of the amount appropriated, was due largely to lower than budgeted actual troop strength, a high vacancy rate for civilian staff, savings under vehicles resulting from favourable unit cost rates obtained for the purchase of vehicles under a systems contract and the receipt of other vehicles, equipment and supplies from the United Nations Logistics Base at Brindisi, Italy.

7. The Advisory Committee notes, as indicated in paragraph 12 and table 1 of the performance document, that unliquidated obligations amounted to $52,136,300 as at 30 June 1999. However, the Committee was informed that they had been reduced to $22,321,570 as at 31 December 1999. Of this amount, $12,879,046 was government-related, whereas $9,442,524 was non-government-related.

8. The Advisory Committee was also informed of a contingent liability, estimated at $1,486,652, related to equipment brought to the mission by troop contributors for which no provision was included in the budget and therefore was not reflected in the financial statements. The Committee was informed that this had been an inadvertent omission, but that action had been taken to avoid a recurrence in future. **The Committee recommends that proposals to deal with this liability be presented in the context of the next budget submission for UNIFIL.**

9. Savings of $2,384,400 are reported under military personnel costs. These were mostly due to the deployment of a lower average number of troops, an average strength of 4,499 military contingents compared with an authorized strength of 4,513, as shown in table 2 of the performance document, and lower actual costs for ration requirements for the period between the expiry of an old contract and the award of a new one, effective 1 April 1999. As indicated in paragraph 11 of the report, while the competitive bidding was under way, interim arrangements were made for the local purchase of dry and frozen rations as well as for the use of reserve stock.

10. Savings of $3,337,500 are recorded under civilian personnel costs, resulting mostly from an international staff vacancy rate of 14 per cent owing to the temporary assignment of staff to other missions. Under operational requirements, savings amounting to $3,565,500 (12 per cent) are indicated out of an apportionment of $27,840,100. In this regard, the Advisory Committee notes that savings of $75,000 are indicated under premises and accommodation owing to the reimbursement by the Government of Lebanon of the rental charge of $132,000 for UNIFIL House in Beirut during this period. Under-expenditures of $3,663,500, out of an apportionment of $14,937,100, are also reported under transport operations, as a result of the transfer of 10 heavy vehicles and spare parts from the United Nations Logistics Base at Brindisi, favourable per vehicle costs as a result of a systems contract, discounts for spare parts, lower prices for gasoline, diesel fuel and kerosene, and lower vehicle insurance premiums for general-purpose vehicles.

11. Offsetting these under-expenditures, additional requirements of $634,000, as compared with the initial provision of $2,463,400, are indicated under other equipment, due mostly to the purchase of computer hardware and software and the upgrading of the local computer network to ensure year-2000 compliance.

12. Paragraph 14 of the report indicates that the action to be taken by the General Assembly at its fifty-fourth session in connection with the financing of UNIFIL is a decision on the treatment of the unencumbered balance of $8,329,300 gross ($8,084,600 net) for the period from 1 July 1998 to 30 June 1999. **The Advisory Committee recommends that Member States be credited their respective shares of the unencumbered balance for the period in question in a manner to be determined by the General Assembly.**

Proposed budget for the period from 1 July 2000 to 30 June 2001

13. The cost estimates submitted by the Secretary-General for the period from 1 July 2000 to 30 June 2001 (A/54/724) amount to $139,547,600 gross ($135,721,900 net), inclusive of a $180,000 budgeted voluntary contribution. The latter relates to the contribution by the Government of Lebanon of the UNIFIL House in Beirut since February 1998. This estimate reflects a net decrease of $541,600 in resources, or 0.4 per cent, compared with the resources of $139,909,200 approved for the previous 12-month period, resulting from decreases under civilian personnel costs, operational requirements and staff assessment costs, which were partially offset by

increases under military personnel and other programmes.

14. The proposed budget provides for the maintenance of the Force, which comprises 4,513 troops supported by a civilian establishment of 491 staff, including 141 international and 350 local posts. The Advisory Committee was informed that as at 31 December 1999 there were 4,493 troops in UNIFIL; of the 146 authorized international staff posts, 106 were encumbered, and all of the 344 authorized local staff posts were encumbered.

15. The proposed budget reflects an increase of $745,600, or a 1.0 per cent increase in military personnel costs over the amount apportioned for 1999/00, resulting from additional requirements of $144,300 under contingent-owned equipment to cover the wet-lease costs for crew-served weapons ($296,820), patrol dogs ($26,850) and ammunition ($361,630). The increase also reflects the first-time provision for reimbursement for self-sustainment ($550,143), as indicated in paragraph 19 of the budget document, in accordance with General Assembly procedures. In this regard, the Advisory Committee was informed that on 15 February 2000 a memorandum of understanding had been signed with a troop contributor to cover equipment and self-sustainment.

16. The Advisory Committee recalls that in its previous report on the financing of UNIFIL (A/53/895/Add.1, para. 43) it had indicated that the Secretariat was drawing up a plan to introduce the new contingent-owned equipment arrangements to UNIFIL. Upon enquiry, the Committee was informed that aside from the reluctance of its troop contributors to convert to new contingent-owned equipment arrangements, the other factor slowing the change was the fact that much of the equipment was owned by the United Nations, and therefore extensive discussions and negotiations were required with the troop contributors involved.

17. The Advisory Committee was also informed that most crew-served weapons, which had been in use by the mission since the biennium 1986-1987, were in urgent need of replacement. After a survey was conducted and recommendations were made for replacement and improved maintenance practices, the transition to wet-lease provision and maintenance was expected to be implemented by 2000/01 and budgeted for accordingly, as indicated in paragraph 15 above.

18. The proposed requirements under civilian personnel costs, which amount to $25,560,200, reflect a 1.9 per cent decrease in comparison with the budget for the previous period. The total staffing component of 491 posts would consist of 141 international (23 Professional, 41 General Service and 77 Field Service) and 350 local staff, compared with the staff authorized for the current period, which also totals 491 posts, including 147 international (22 Professional, 45 General Service and 80 Field Service) and 344 local staff. As indicated in paragraphs 21-23 of the report, the proposed staffing would include the establishment of one new P-3 post, for a Supply Management Officer, the reclassification of a Budget Cost Control Officer post from P-3 to P-4 and a Civilian Engineer post from P-2 to P-3, the abolition of a General Service post in the Office of the Chief Administrative Officer, the redeployment of a Field Service post to that office from the Communications Section and the conversion of three General Service and three Field Service posts into six Local-level posts, of which three would be assigned to the Electronic Data Processing Section and three to cleaner/kitchen-helper functions for battalions and the Force Mobile Reserve.

19. Upon enquiry, the Advisory Committee was informed that the three local staff posts proposed were part of the 38 previously requested by the Secretary-General in his budget for 1998/99. Those three local workers, hired since the 1980s, are currently charged against General Service posts, which now need to be re-allocated. The conversion of those posts would result in a cost reduction of $88,400 in the proposed budget, consistent with the request of the General Assembly in its resolution 53/227 of 8 June 1999, in which it requested the Secretary-General to continue his efforts to recruit local staff in order to reduce the cost of employing General Service staff. **The Committee recommends acceptance of the staffing changes proposed by the Secretary-General.**

20. A vacancy factor of 5 per cent is incorporated for international staff, based on experience, as indicated in paragraph 5 of annex I.C. No vacancy factor is incorporated for local staff. The Advisory Committee notes, however, that the average vacancy rate for international staff was 10 per cent for 1997/98 and 14 per cent for 1998/99, as indicated in paragraph 10 above. For the period 1999/00, the Committee was informed that as at 31 December 1999, of the 146 authorized international posts, 106 were encumbered.

Upon enquiry, the Committee was informed that if an 8 per cent vacancy factor were applied to international staff, total costs would amount to $16,580,884 instead of $17,121,565. **The Committee believes that a vacancy factor of 8 per cent would better reflect reality and past experience.**

21. The Advisory Committee recalls that in its previous report (A/53/895/Add.1, para. 47) it referred to the use of mission appointees and the fact that it had been informed that there were no staff under the 300 series rules in UNIFIL, the United Nations Disengagement Observer Force, the United Nations Truce Supervision Organization, the United Nations Peace-keeping Force in Cyprus, or the United Nations Logistics Base at Brindisi, since they were considered established duty stations. The Committee also indicated that, upon enquiry, it had been informed that there were no operational impediments to prevent the hiring of 300-series employees. The Committee sought additional information in this regard and was informed by a representative of the Office of Human Resources Management of the current practices with regard to the use of limited duration contracts that relate to two pilot schemes (one at the United Nations, another at the United Nations Development Programme), which were approved by the International Civil Service Commission (ICSC) and endorsed by the General Assembly in its resolution 52/216 of 22 December 1997 (see also para. 25 of the Committee's omnibus report on the financing of peacekeeping operations A/54/841). The Committee notes that ICSC is expected to continue its discussions on the issue of appointments of limited duration based on the experience obtained up to now with both pilot projects at its summer session in 2000.

22. The proposed budget reflects a 2.7 per cent decrease in operational costs, from $30,695,700 to $29,871,100, compared with the budget for 1 July 1999 to 30 June 2000, and includes non-recurrent requirements of $11,690,300. In this connection, non-recurrent provisions of $6,658,216 for the replacement of 118 vehicles, out of a fleet of 1,085 in current inventory, based on established replacement policy, and of $223,000 for workshop equipment are included under transport operations. The increase of $1,009,900 under petrol, oil and lubricants, as indicated in paragraph 13 of annex I.C, takes into account the latest market prices as at January 2000.

23. The increase from $2,693,400 to $2,867,800 under premises and accommodation includes non-recurrent costs of $1,328,000 for the maintenance, asphalting and sealing of the existing road system within the area of operations. The Advisory Committee also notes that the proposed requirements under other equipment increase from $2,817,600 to $3,345,200. In this regard, non-recurrent costs of $2,226,200 relate to the replacement of obsolete or worn-out equipment, as detailed in annex II.C, including a provision of $846,650 under electronic data-processing equipment. The Committee notes from paragraph 17 of annex I.C that the Force is proposing to replace 132 desktop computers and 14 laptops, or 25 per cent of the current holdings of 526 and 55 respectively. Moreover, UNIFIL has replaced 254 desktop computers and 38 laptops during the last three financial periods. The views of the Committee on the replacement cycle of data-processing equipment are contained in paragraphs 35 and 36 of its omnibus report (A/54/841).

24. **In view of the resources requested by UNIFIL under this budget item in the past, the Advisory Committee recommends that at this time UNIFIL replace only 20 per cent of its total holdings of data-processing equipment (requirements would amount to $438,650), which, along with the provision for $358,500 for additional purchases, totals $797,150 instead of the $846,650 mentioned above.**

25. The Advisory Committee notes that the estimates of the direct support provided by the United Nations Truce Supervision Organization to UNIFIL is provided in annex III to the budget document. In this regard, the Committee notes, for the period from 1 January 2000 to 31 December 2001, that the associated costs amount to $4,853,900 — a decrease of $398,500 compared with the previous biennium.

26. The Advisory Committee recalls that in paragraph 11 of its resolution 53/227, the General Assembly requested the Secretary-General to take the necessary measures to ensure the full implementation of the decisions of the Assembly regarding the Qana incident and to report on that matter to the Assembly at its fifty-fourth session. In this regard, the Committee notes that information is provided in paragraphs 25 and 26 of the budget report indicating that the amount of $1,284,633 had been recorded under accounts receivable for UNIFIL and that the Secretariat had addressed three letters to the Permanent Representative of Israel, to which no response had yet been received.

27. The actions to be taken by the General Assembly at its fifty-fourth session in connection with the financing of UNIFIL are outlined in paragraph 3 of the report. The Secretary-General proposes that the Assembly appropriate an amount of $139,367,600 gross ($135,541,900 net) for the 12-month period beginning on 1 July 2000, to be assessed at the monthly rate of $11,613,966 gross ($11,295,158 net), subject to the extension of the mandate of the Force by the Security Council beyond 31 July 2000. **The Advisory Committee recommends approval of the Secretary-General's proposal, after adjustment for the reductions of $540,681 and $49,500 recommended by the Committee in paragraphs 20 and 24 above.**

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Financing of the activities arising from Security Council resolution 687 (1991): United Nations Iraq-Kuwait Observation Mission

Financing of the activities arising from Security Council resolution 687 (1991): United Nations Iraq-Kuwait Observation Mission

Report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the financial performance of the United Nations Iraq-Kuwait Observation Mission (UNIKOM) for the period from 1 July 1998 to 30 June 1999 (A/54/709) and the proposed budget for the maintenance of the Mission for the 12-month period from 1 July 2000 to 30 June 2001 (A/54/736). During its consideration of the reports, the Committee met with representatives of the Secretary-General, including the Chief Administrative Officer, who provided additional information and clarifications.

2. The Advisory Committee recalls the provisions of General Assembly resolution 54/18 of 29 October 1999, in which the Assembly requested the Board of Auditors to undertake a comprehensive audit of UNIKOM, in particular the question of payment of mission subsistence allowance, as a matter of priority, and requested the Secretary-General to submit a comprehensive report on the question within a period not exceeding three months following the adoption of the resolution, for consideration during the first part of its resumed fifty-fourth session. The representatives of the Secretary-General informed the Committee that the report of the Board of Auditors was expected to be completed in May 2000. The Secretariat would prepare its report thereafter, taking into account the findings of the Board. **The Committee trusts that the report will be submitted as soon as possible, taking into account the outcome of the judiciary process as referred to in paragraph 5 of the report of the Committee dated 29 September 1999 (A/54/418).**

Financial performance for the period from 1 July 1998 to 30 June 1999

3. As indicated in paragraph 3 of the report of the Secretary-General (A/54/709), the amount approved by the General Assembly for the maintenance of UNIKOM for the period from 1 July 1998 to 30 June 1999 was $52,143,800 gross ($50,255,600 net), inclusive of $2,618,400 for the support account for peacekeeping operations. Taking into account the two-thirds share of the net amount (that is, exclusive of the

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support account), equivalent to $33,503,700, to be funded through voluntary contributions from the Government of Kuwait, an amount of $18,640,100 gross ($16,751,900 net) was assessed on Member States.

4. Expenditure for the period totalled $49,960,900 gross ($48,323,700 net), resulting in an unencumbered balance of $2,182,900 gross ($1,931,900 net) or, in gross terms, some 4 per cent of the appropriation. As indicated in the report of the Secretary-General, the unencumbered balance resulted mainly from lower travel costs for military observers, a higher vacancy rate for civilian personnel than originally estimated, reduced air operations requirements and the early termination of the contract for the fixed-wing aircraft owing to the closure of Iraqi airspace.

5. The Advisory Committee was informed that troop-cost reimbursement up to 30 April 1999 totalled $70.5 million, while the amount owed for the period from 1 May 1999 to 31 January 2000 was $8.9 million. With regard to contingent-owned equipment, the Committee was informed that, as at 31 December 1999, an amount of $4.3 million had been reimbursed and the amount owed was $5.4 million, while unliquidated obligations in respect of contingent-owned equipment totalled $2.9 million. In respect of death and disability compensation, $504,304 had been paid as at 31 December 1999 for 21 claims, leaving a balance of $1,410,700 in unliquidated obligations and 12 pending claims.

6. As indicated in paragraph 6 of the report, the unutilized balance of $1,453,400 under civilian personnel resulted from higher vacancy rates for international and local staff than originally estimated. While the budget estimates provided for a vacancy factor of 5 per cent for the authorized staffing of 72 international and 166 local posts, the actual vacancy rates during the reporting period averaged 18 per cent for international posts and 11 per cent for local posts. The Advisory Committee was informed of the difficulties that the Mission experienced concerning emplacement and retention of staff; in addition, some staff had been deployed to new missions. The Committee notes that this situation has prevailed for some time and was reported in the context of the performance reports for the periods from 1 July 1997 to 30 June 1998, in which vacancy rates were 22 per cent for international staff and 11 per cent for local staff, and from 1 July 1996 to 30 June 1997, in which vacancy rates were 20 per cent for international staff and 18 per cent for local staff (see A/53/782, table 2, and A/52/790/Add.1, annex II.A). The Committee was informed that many of the vacant posts were in the administrative services of the Mission. **While not recommending any reduction in the estimates, the Committee recommends that an analysis be undertaken to determine the cause of the persistent high vacancies, the effect of continuing high vacancy rates on Mission operations, and possible solutions, including whether some of the posts in question could be abolished.**

7. Upon enquiry, the Advisory Committee was informed that 90 per cent of the Mission's procurement activities take place in the Mission area. Of items procured through Headquarters, the bulk comprises electronic data-processing, communications and vehicle requisitions. In this connection, the Committee sought additional clarification regarding procurement planning and vendor performance, about which the Board of Auditors commented in its report.[1] The Committee was informed that there had been planning for those items procured through Headquarters; however, the Committee was informed that local procurement depended largely on the allotments and procurement activities of the various units of the Mission. With regard to vendor evaluation, the Committee was informed that evaluations had been submitted to the Procurement Division at Headquarters, but that only two evaluations had been submitted as they were the only contracts, one for rations and the other for support services, that exceeded $200,000. Upon enquiry, the Committee was informed that, of the 10 posts in the Procurement Section of the Mission, one of the Professional posts had been vacant for a period of up to 12 months. **In view of the need to strengthen the procurement function in this Mission (as stated above, 90 per cent of procurement takes place in the Mission), the Committee urges that steps be taken to fill the post without further delay.**

8. As indicated in paragraph 12 of the report of the Secretary-General (A/54/709), the action to be taken by the General Assembly in connection with the financing of UNIKOM for the period from 1 July 1998 to 30 June 1999 is a decision on the treatment of the unencumbered balance of $2,182,900 gross ($1,931,900 net). **The Advisory Committee recommends that the unencumbered balance be credited to Member States, it being understood that**

two thirds of the amount would first be refunded to the Government of Kuwait.

Information on performance for the current period

9. The Advisory Committee was informed that, against the authorized staffing establishment of UNIKOM for the period 1 July 1999 to 30 June 2000 (908 military contingents, 195 military observers, 72 international staff and 166 local staff), the posts encumbered as at 31 January 2000 were 908 military contingents, 193 military observers, 53 international staff and 147 local staff.

10. The Advisory Committee was provided with expenditure data for the period from 1 July to 30 June 2000, as at 31 December 1999. Expenditure for the period amounted to $29,934,800 against an apportionment of $51,996,100.

Cost estimates for the period from 1 July 2000 to 30 June 2001

11. As indicated in paragraph 1 of the report of the Secretary-General (A/54/736), the cost of maintaining the Mission for the 12-month period from 1 July 2000 to 30 June 2001 is estimated at $49,818,000 gross ($47,823,000 net). Two thirds of this amount is to be funded through voluntary contributions from the Government of Kuwait. The proposed budget represents a 1.9 per cent decrease ($959,800) in gross terms in relation to the apportionment for the current period from 1 July 1999 to 30 June 2000. The decrease reflects a 0.7 per cent decrease in civilian personnel costs and a 7.7 per cent decrease in operational costs, which is partially offset by a 0.1 per cent increase in military personnel costs.

12. The Advisory Committee notes that in the table in section V of the report there are a number of voluntary contributions for which no value is given. Upon enquiry, the Committee was informed that those voluntary contributions were in respect of items that would otherwise have been budgeted. However, the Secretariat was unable to provide the Committee with values for the voluntary contributions. **In the opinion of the Committee, this is cause for concern as it indicates a failure to comply with the requirement for full-cost budgeting.**

13. The estimate provides for 195 military observers, 910 contingent troops, 72 international staff and 166 local staff. As indicated in paragraph 1 of annex I.C, the cost estimates for civilian staff are based on a 10 per cent vacancy factor in respect of both international and local staff. **The Advisory Committee notes, as indicated in paragraph 10 of annex I.C, that only nine posts (4 Professional and 5 Field Service) are currently encumbered by mission appointees. The Committee recommends greater recourse to this type of personnel to address the chronic vacancy situation of the Mission.**

14. Upon enquiry, the Advisory Committee was informed of the staffing as of 31 January 2000. Of the 195 military observers provided for, 193 were on board; of the 72 international posts, 53 were encumbered; and of the 166 local posts 147 were encumbered. Thus, as of 31 January 2000, the vacancy rates were 26 per cent for international staff and 11 per cent for local staff. Estimates for civilian personnel for the current period ending 30 June 2000 were also based on a 10 per cent vacancy factor. **The Committee reiterates its recommendation that the effect of these continuing high vacancy rates on operations should be studied** (see para. 6 above).

15. The Advisory Committee takes note of the decrease of $248,000 resulting from the new contract for rations for military contingents. Under the contract, the unit cost of rations is $4.65 per person per day, as compared with the unit cost of $5.50 per person per day estimated for the current financial period. The Committee was informed that it was the responsibility of the contractor, under the new contract, to provide all personnel and food items and to maintain the kitchen equipment provided by UNIKOM. Meals are provided to qualified personnel (troops) only, upon presentation of a valid identification card, which is "swiped" to record the meal in the computer system and to prevent multiple meals being taken by the same person. UNIKOM pays only for meals actually provided. The terms and conditions of the contract, as well as the computerized recording of services, ensure the effective management and supervision of the contract. **The Committee welcomes these arrangements and trusts that every effort will be made to extend their application to other missions.**

16. As noted in paragraph 17 of the report, reimbursement to two Governments for contingent-owned equipment provided to the Mission is based on

the old system of reimbursement of 10 per cent of its value per year. Negotiations are currently under way between the United Nations and one Government for reimbursement to be based on the new arrangements. Upon enquiry as to the basis for budgeting for self-sustainment in the absence of a memorandum of understanding, the Committee was informed that the provision for self-sustainment was estimated pending the finalization of the memorandum of understanding.

17. With regard to travel of staff, the Advisory Committee notes that, for the period ending 30 June 1999, an amount of $68,200 had been allotted, while only $47,800 had been spent. The Committee was informed that of the $88,900 apportioned for the period ending 30 June 2000, a total of $24,200 had been spent as of 31 December 1999. Upon request, the Committee was provided with information regarding the reasons for the low expenditure for the period ending 30 June 1999 and details concerning the activities that were postponed or cancelled and the reasons for such action (see annex).

18. **In the opinion of the Advisory Committee, the information provided regarding training programmes at UNIKOM is not transparent.** In view of the priority being accorded to training programmes in the 2000-2001 financial period, the Committee sought additional clarification of how estimates for training had been formulated. Only $15,000 had been requested, the same amount as was requested for the period ending 30 June 2000. For the period ending 30 June 1998, $40,000 had been incurred. From the information given by the representatives of the Secretary-General, the Committee concluded that the request for $15,000 was related neither to the number of individuals to be trained nor to the specific subjects foreseen for training. **Accordingly, the Committee recommends that a review be conducted of the methods for formulating costs and selecting trainees. The programme should be well planned to benefit the largest number of mission personnel, and all efforts should be made to avoid piecemeal training activities that might not, in the long run, be cost-effective.**

19. The Advisory Committee notes, as indicated in paragraph 29 of annex I.C, that the estimate of $70,000 for data-processing services relates to software licensing fees for finance, payroll, procurement and other commercial software applications. **In the view of the Committee, these costs should be presented in a more transparent manner and should include information on the criteria used to determine whether a purchase or lease arrangement is more suitable.**

20. The Advisory Committee was informed that the proposals for non-recurrent requirements of $108,800 for the replacement of worn/obsolete electronic data-processing equipment, as reflected in annex II.C of the report, had taken into account the acquisitions made in the financial period ending 30 June 2000 under the year 2000 compliance programme.

21. The action to be taken by the General Assembly in connection with the financing of UNIKOM for the period from 1 July 2000 to 30 June 2001 is indicated in paragraph 3 of the report (A/54/736). **The Advisory Committee recommends that the budget for UNIKOM for the 12-month period beginning 1 July 2000 be approved at $49,818,000 gross ($47,823,000 net), including the amount of $31,882,000 net, representing two thirds of the cost, to be funded though voluntary contributions from the Government of Kuwait.**

Notes

[1] *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 5* (A/54/5), vol. II, chap. II, paras. 61 and 102.

Annex

Budgeted and actual expenditure on travel for the period from 1 July 1998 to 30 June 1999

Purpose of travel	*Estimate for budgeted travel (United States dollars)*	*Expenditure on actual travel (United States dollars)*
1. From Headquarters		
Mission assessment	7 200	9 800
Internal audit (3 auditors)	30 600	-[a]
Review of MSA (1 person from PMSS/FALD	-	5 500
Installation of one module of FACS	-	1 900
Internal audit travel (prior period charges)	-	1 700
2. From and within the mission area		
Force Commander and other officials (3 trips)	20 400	12 700
Aviation safety specialist (4 trips from UNIFIL)	6 000	600
Within-mission travel (4 persons)	4 000	8 200
Promotion of Field Service staff	-	4 600
Political consultations	-	2 800
Total	**68 200**[b]	**47 800**

[a] The only planned trip that was not undertaken was the travel of three auditors for an internal audit. During the period 1998-1999, the Office of Internal Oversight Services focused its audit activities on the question of the payment of mission subsistence allowance which required more than the amount of time originally allotted for the audit of UNIKOM in the mission area. Consequently, no audit was undertaken in the mission area during the same period.

[b] This estimate is less than the figure of $88,900 shown in attachment I of the supplementary information handout to the Advisory Committee on Administrative and Budgetary Questions and in annex I of the report of the Secretary-General (A/52/824) because the estimate of $88,900 was overstated (see cost breakdown in annex II.C of A/52/824).

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Financing of the United Nations Peacekeeping Force in Cyprus

Report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the financial performance of the United Nations Peacekeeping Force in Cyprus (UNFICYP) for the period from 1 July 1998 to 30 June 1999 (A/54/704) and on the proposed budget for the 12-month period from 1 July 2000 to 30 June 2001 (A/54/729). During its consideration of the reports, the Committee met with representatives of the Secretary-General, including the Chief Administrative Officer of UNFICYP, who provided additional information and clarifications.

2. UNFICYP was established by the Security Council on 4 March 1964. From its inception until 15 June 1993, the costs of the Force were met by Governments providing contingents, by the Government of Cyprus and by voluntary contributions to UNFICYP. In accordance with General Assembly resolution 47/236 of 14 September 1993, the costs of the Force since 16 June 1993 that were not covered by voluntary contributions have been assessed on Member States. Voluntary contributions equal to one third of the annual cost of UNFICYP have been made on a continuing basis by the Government of Cyprus, while the Government of Greece has been making an annual contribution of $6.5 million.

Financial performance for the period from 1 July 1998 to 30 June 1999

3. The amount approved by the General Assembly for the maintenance of UNFICYP for the period from 1 July 1998 to 30 June 1999 was $45,276,160 gross ($43,536,860 net), including the portion to be met through voluntary contributions from the Governments of Cyprus and Greece as well as $2,267,160 appropriated for the support account for peacekeeping operations by the General Assembly in its resolution 52/241 of 26 June 1998. Recorded expenditures amounted to $44,902,200 gross ($43,115,200 net), resulting in an unencumbered balance of $374,000 gross ($421,700 net). The unencumbered balance resulted mainly from lower travel costs under civilian police personnel and lower operational cost requirements under transport operations, supplies and services, communications and infrastructure repairs.

4. As indicated in annex II, paragraph 1, of the performance report (A/54/704), the unutilized balance of $87,200 under civilian police costs was largely

00-38441 (E) 270400

attributable to the fact that one Government providing civilian police does not seek reimbursement for its repatriation/rotation costs. In this connection, the Advisory Committee recalls paragraph 33 of its report of 7 May 1998 on the financing of United Nations peacekeeping operations (A/52/860), in which it requested that the Secretariat ascertain, in such cases, whether or not a claim will be submitted by the country concerned and to take the results into account when preparing future budgets of the missions. Upon enquiry, the Committee was informed that, in accordance with the recommendation of the Committee, the savings were taken into account when the 2000-2001 budget was prepared.

5. An unutilized balance of $713,400 resulted from reduced operational requirements, including unspent balances under infrastructure repairs ($56,900), transport operations ($479,400), communications ($126,500) and supplies and services ($368,900), offset in part by additional requirements under premises/accommodation ($147,700), air operations ($8,900), and other equipment ($161,700).

6. The Advisory Committee was informed that troop cost reimbursement up to 30 April 1999 totalled $90,624,736, while the amount owed for the period from 1 May to 31 December 1999 was $10,697,069. With regard to contingent-owned equipment, the Committee was informed that, as at 31 December 1999, the amount reimbursed was $4,140,623 and the amount owed was $12,278,698. Unliquidated obligations in respect of contingent-owned equipment as at 31 December 1999 amounted to $6,233,343. Under death and disability compensation, the Committee was informed that $214,718 had been paid as at 31 December 1999 for 15 claims, leaving a balance of $1,100,000 in unliquidated obligations and 3 pending claims. The Committee was informed that the cash position of UNFICYP as at 31 December 1999 was $18.6 million.

7. The Advisory Committee was also informed that the total amount assessed on Member States for UNFICYP for the period from 16 June 1993 to 31 December 1999 was $150.2 million, against which the payments received amounted to $134.0 million, leaving an outstanding balance of $16.2 million.

8. The Advisory Committee notes the continued economy and efficiency measures undertaken by the Mission to reduce operational costs. One example of this is the analysis conducted by the Mission of the premises needing repair in the United Nations Protected Area, with a view to rationalizing the use of space, and to determining the actual needs of the Force. As a result of the analysis, the Force is currently in the process of vacating unneeded space. Another example is the institution by the mission of a new, more refined method of authorizing the use of helicopters for strictly operational purposes, which has resulted in improved control of flight hours. **The Committee welcomes such measures.**

9. **The Advisory Committee also commends the Mission for the measures it has taken to improve and strengthen procurement services.** The Committee was informed that a staff member with expertise in procurement had been posted to the mission and that training of other mission personnel had been conducted. Procurement planning had been improved, with an emphasis on streamlining and focusing requirements, and extensive advertising, including wide use of the Internet, had been employed. After a careful analysis of comparative costs, purchases are made either locally or from outside the region. The Committee was informed that there was close cooperation between the procurement services of the mission and those of Headquarters. In addition, a regional meeting of chief administrative officers of missions in the Middle East is being held to share best practices in procurement and other areas. Furthermore, the Committee was informed of the intention of the Department of Peacekeeping Operations to review all procurement practices in missions in order to benefit from lessons learned. **The Committee welcomes the initiative.**

10. The measures taken to improve procurement in the mission have led to considerable savings. In the context of the performance report for the period from 1 July 1998 to 30 June 1999, savings were realized, for example, under communications equipment, where local procurement resulted in savings of $37,500, and under contractual services, where local competitive bidding led to savings of $312,800 for laundry and dry cleaning services (see A/54/704, annex II, paras. 7 and 9).

11. With regard to military costs, the Advisory Committee recalls its recommendation in paragraph 8 of its report of 5 April 1999 (A/53/895/Add.3) that, in the case of the contingent that has required rotation every five and one half months instead of the normal

six-month rotation, the administration should look into the matter with a view to convincing the troop contributor to bear the cost of any additional rotation this arrangement would entail. Upon enquiry, the Committee was informed that efforts were under way to reach an understanding with the troop-contributing country concerned that rotation would henceforth be on a six-month basis.

12. The Advisory Committee requested clarification on the policy for payment of war-risk insurance for aircraft acquired under letter-of-assist arrangements, as referred to in annex II, paragraph 6, of the performance report. As this issue is of relevance to a number of peacekeeping missions, the information provided to the Committee is reflected in its general report on financing of the United Nations peacekeeping operations (see A/54/841, para. 46).

13. The action to be taken by the General Assembly in connection with the financing of UNFICYP for the period from 1 July 1998 to 30 June 1999 is indicated in paragraph 10 of the performance report (A/54/704). **The Advisory Committee recommends that the unencumbered balance of $374,000 gross ($421,700 net) for the period from 1 July 1998 to 30 June 1999 be credited to Member States in a manner to be decided by the General Assembly.**

Information on performance for the current period

14. The Advisory Committee was informed that, against the authorized staffing establishment of UNFICYP for the period from 1 July 1999 to 30 June 2000 of 1,230 troops, 35 civilian police, 44 international staff and 215 local staff, encumbered posts as at 31 December 1999 were 1,206 troops, 35 civilian police, 39 international staff and 197 local staff.

15. The Advisory Committee was provided with expenditure data for the period from 1 July 1999 to 30 June 2000, as at 31 December 1999. Expenditure for the period amounted to $34,743,200, against an apportionment of $43,892,300.

Cost estimates for the period from 1 July 2000 to 30 June 2001

16. As indicated in paragraph 1 of the report of the Secretary-General (A/54/729) on the proposed budget for the maintenance of the Force for the 12-month period from 1 July 2000 to 30 June 2001, an amount of $41,039,800 gross ($39,374,200 net) has been requested. This request represents a 4.5 per cent decrease ($1,875,100) in gross terms in relation to the apportionment for the current period ending 30 June 2000. The proposed budget reflects decreases of $521,400, or 2.3 per cent, in military personnel costs; $765,500, or 7.6 per cent, in civilian personnel costs; $534,800, or 6.6 per cent, in operational costs; and $72,900, or 4.2 per cent, in staff assessment, offset by an increase of $19,500, or 98.5 per cent, in other programmes.

17. With regard to the presentation of the budget report, the Advisory Committee notes that some of the information provided in section IV (Contributions made under the status-of-forces agreement) is being disclosed for the first time. Upon enquiry, the Committee was informed that all of the amounts in the table in section IV, apart from the first entry, were additional to the budgeted amounts paid by the Governments of Cyprus and Greece. The total cost of the mission is therefore larger than previously disclosed. **In future budget submissions, the Committee requests that the same procedure be used for UNFICYP as is used for the United Nations Iraq-Kuwait Observation Mission, that is, such contributions should be included under section V of the report (Voluntary contributions).**

18. The proposed military personnel of UNFICYP remain at 1,230. The Advisory Committee notes from paragraph 2 of annex I.C to the budget report (A/54/729) that a 5 per cent non-utilization factor has been applied in respect of rations for military personnel.[1] This has resulted in a downward adjustment of the estimated requirements by $161,400. The Committee enquired as to the extent to which that practice was followed in other missions, and was informed that non-utilization factors were applied in the United Nations Disengagement Observer Force and the United Nations Interim Force in Lebanon (14 days per person per year), as well as the United Nations Preventive Deployment Force (3.5 per cent).

19. The proposed civilian staffing of the mission comprises 35 civilian police, 44 international staff and 186 local staff. This reflects a decrease of 29 local staff posts resulting from the outsourcing of cleaning and catering services, as recommended by the Advisory Committee in its report of 3 April 1998 (A/52/860/Add.4, para. 19). The Committee was informed that those local staff affected, to the extent possible, had been absorbed in vacant posts; others had been let go after the termination of their contracts. Upon enquiry, the Committee was informed that the abolition of the 29 posts had resulted in savings of $708,900 gross. The costs of the contracts for janitorial and cleaning services were $225,100 and $423,000 respectively, leaving a net savings as a result of outsourcing of $135,000. **The Committee welcomes the contracting out of these services and the consequent savings achieved.**

20. Upon enquiry, the Advisory Committee was informed that the contracting out of services had been undertaken at Force headquarters. A study is under way to determine the feasibility of outsourcing similar services in the field sectors. **In this connection, the Advisory Committee welcomes the intention of UNFICYP, as stated in paragraph 14 of the budget report (A/54/729), to continue its efforts towards outsourcing non-core, labour-intensive functions while at the same time enhancing management, supervisory and specialized technical functions. The Committee encourages the completion of the study and requests that the results be incorporated in the estimates for the next financial period and be made available to other missions.**

21. The Advisory Committee was informed that cost estimates for the period from 1 July 2000 to 30 June 2001 were based on a 5 per cent vacancy factor in respect of international staff and a zero vacancy factor for local staff. The Committee notes that these rates are lower than those in the performance report for the period from 1 July 1998 to 30 June 1999 (A/54/704), which were 8 per cent and 1 per cent respectively. Upon enquiry, the Committee was informed that, owing to the size of the mission and the relatively low vacancy rate it was considered prudent to use 5 per cent and zero vacancy factors. In the case of local staff, zero was used because the mission was attempting to absorb in vacant posts some of the 29 staff whose posts had been abolished as a result of the outsourcing of cleaning and catering services. **Taking this specific situation into account, the Committee supports the use of a zero vacancy factor for local staff, but is of the opinion that the rates used for international staff are not borne out by past experience.** Upon enquiry, the Committee was informed that, as at 31 December 1999, there were 11 mission appointees at UNFICYP. **The Committee encourages a greater use of this type of staff.**

22. As indicated in paragraph 19 of annex I.C to the budget report (A/54/729), the estimates for other equipment include provision for replacement of 20 per cent of the electronic data-processing equipment. In other missions, the replacement rate is 25 per cent. The Advisory Committee notes that the focus in this area is on replacement of equipment that is "obsolete, and/or uneconomical to repair". This is in line with the view of the Committee that the 25 per cent ratio should not be applied mechanically (see A/54/841, paras. 35 and 36). **The Committee encourages other missions to follow similar rigorous examination of their inventory before deciding on new requisitions.**

23. The Advisory Committee notes from annex II to the budget report (A/54/729) that $20,000 is requested under data-processing services, as against $18,000 for the current period. Upon enquiry, the Committee was informed that the increase was the direct result of the anticipated price increase in Sun and ProGen systems software licensing fees for the 2000/01 financial period. The Committee was also informed that the criteria used to determine whether to purchase or lease data-processing systems were availability and best value to the Organization. Currently, hardware is being purchased, while options for leasing are being investigated. Software for personal computers is purchased on payment of a one-time licensing fee, while administrative application software, such as Sun Microsystems, ProGen and Reality are only available as lease/purchase with annual maintenance/renewal options, and therefore cannot be purchased. The Committee was also informed that the Information Technology Services Division has set specification standards for hardware such as servers, workstations, etc. Those standards are followed for mission purchases made by United Nations Headquarters. Although there are software standards as well, the missions are obliged to use their discretion in order to satisfy local requirements such as language support.

24. The Advisory Committee notes the considerable increase in the estimates for training programmes, from

$15,000 for the current period ending 30 June 2000 to $34,500 for the period from 1 July 2000 to 30 June 2001. Upon enquiry, the Committee was informed that $34,500 represented the full cost of the training programme, including related travel and other costs. The Committee was also provided, upon request, with a breakdown of the training planned for the period from 1 July 2000 to 30 June 2001. **The Committee welcomes the emphasis on training and intends to monitor training programmes to ascertain if the increase in expenditure is commensurate with the benefit accrued to missions.**

25. The Advisory Committee notes from paragraph 21 of annex I.C to the budget report (A/54/729) that requirements for procurement training are estimated at $6,000. **In view of the considerable decentralization in procurement services to the field, the Committee recommends a much more focused procurement training programme involving procurement personnel from all the missions in the area.** In this connection, the Committee was informed that training had already been undertaken for finance officers on appointment, and that training of procurement officers was under consideration. **Such shared training could be organized either under the aegis of the United Nations Logistics Base at Brindisi or UNFICYP. The Advisory Committee is also of the view that more training should be given in all aspects of contract management.**

26. **The Advisory Committee recommends that in the context of future budgets the number of personnel trained, the related costs and the areas of training should be included in the supplementary information supplied to the Committee. It is also of the view that before selecting personnel to be trained the actual availability of the staff member for mission service should be confirmed by the Administration.**

27. Estimates in annex II.A under other travel reflect an increase of 58 per cent. The Advisory Committee was informed that the amount of $30,900 estimated for travel of the Office of Internal Oversight Services was based on the assumption that three auditors would travel to the mission and stay for a period of 28 days at an estimated cost of $10,300 per person for airfare and subsistence. The number of auditors and the length of stay take into account the possibility of expansion in the activities of the mission in the event of a breakthrough in the ongoing United Nations efforts there. Upon request, the Committee was provided with a detailed breakdown of all travel costs.

28. The Advisory Committee has stated that organizations seeking the help of UNFICYP should reimburse the Force (A/51/851, para. 40). **The Committee notes the information in annex III regarding assistance provided by UNFICYP to various entities in the mission area, and reiterates its recommendation that care should be taken to avoid the establishment of elaborate and costly recovery methods which might not be commensurate with the amounts to be recovered. The Committee requests that the costs involved be carefully monitored and that reimbursement be sought wherever appropriate, taking into account the guidelines given by the Committee.**

29. The actions to be taken by the General Assembly in connection with the financing of UNFICYP for the period from 1 July 2000 to 30 June 2001 are indicated in paragraph 3 of the budget report (A/54/729). **The Advisory Committee recommends that the amount of $41,039,800 gross ($39,374,200 net) be approved for the maintenance of UNFICYP for the 12-month period beginning 1 July 2000, including the amount of $19,624,735 net representing voluntary contributions from the Governments of Cyprus and Greece.**

Notes

[1] Calculation of the non-utilization factor is based on examination of audit reports to determine the amount of rations that are not used when military personnel are on leave or away from the mission for other reasons

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Financing of the United Nations Observer Mission in Georgia

Report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the financial performance of the United Nations Observer Mission in Georgia (UNOMIG) for the period from 1 July 1998 to 30 June 1999 (A/54/721).

2. The Advisory Committee has also considered the proposed budget for the maintenance of UNOMIG for the period from 1 July 2000 to 30 June 2001 (A/54/735). During its consideration of the reports, the Committee met with representatives of the Secretary-General, who provided additional information.

Financial performance report for the period from 1 July 1998 to 30 June 1999

3. By its resolution 52/242 of 26 June 1998, the General Assembly appropriated an amount of $19,439,280 gross ($18,452,580 net) for UNOMIG for the period from 1 July 1998 to 30 June 1999, inclusive of $989,880 for the support account for peacekeeping operations. In addition, by its letter dated 11 December 1998, the Advisory Committee concurred with the request for commitment authority in an amount not exceeding $1,534,400 gross ($1,426,600 net) for 17 internationally recruited civilian staff, 37 local staff and related logistical requirements to improve the safety and security of UNOMIG personnel and the installations of the Mission.

4. Expenditures for the period amounted to $20,516,000 gross ($19,525,900 net), inclusive of $2,298,900 in unliquidated obligations; this represents an overrun of $1,076,720 gross ($1,073,320 net) or 5.5 per cent of the amount appropriated. Details are presented in tabular form in annex I to the performance report (A/54/721). The overrun resulted mainly from increased requirements for civilian personnel and operational requirements, provision for the United Nations Logistics Base at Brindisi and an increase in staff assessment, which were partially offset by savings in military personnel.

5. The Advisory Committee notes that political instability and concerns regarding the security of Mission personnel led to considerable additional expenditure and commitment of funds. For example, an amount of $1.1 million was spent for security measures, including the purchase of 10 additional ballistic-protective vehicles. As indicated in annex II,

00-38537 (E) 270400

paragraph 4, of the performance report (A/54/721), this amount was absorbed within the approved budget of UNOMIG for the period from 1 July 1998 to 30 June 1999. The Advisory Committee has concurred with the request for authority to enter into commitments in an amount not exceeding $1,534,400 gross ($1,426,600 net) for an increase in personnel and related logistical requirements to improve the safety and security of UNOMIG personnel and the installations of the Mission (see para. 3 above).

6. The Advisory Committee notes from the additional information it has received that in a number of cases planning could have avoided over-expenditure for unbudgeted items. For example, a total of $79,000 was spent in establishing an archival unit for the Mission, an amount of $43,200 was spent in replacing old photocopiers, fax machines and safes, and an amount of $14,200 was spent on a maintenance licence for the ProGen payroll system for 1997/98 and 1998/99. **The amounts involved are not excessive and the Advisory Committee does not question the need for the activities concerned. However, better forecast of needs should be made during the budget preparation process.**

7. As regards reimbursement for contingent-owned equipment, the Advisory Committee was informed that, as at 31 December 1999, the estimated amount owed was $362,753 and unliquidated obligations for contingent-owned equipment amounted to $81,100. For death and disability compensation, two claims paid amounted to $102,000 and unliquidated claims for three pending claims amounted to $139,700.

8. The Advisory Committee was informed that, as at 31 December 1999, the cash position amounted to $7.6 million and that a loan from the United Nations Mission in Haiti (UNMIH) of $2.0 million had been paid in January 2000. Assessments amounted to $98.7 million, payments received totalled $89.9 million and amounts outstanding stood at $8.8 million. Total unliquidated obligations for the period from 1 July 1998 to 30 June 1999 were $1.5 million as at 31 December 1999.

9. As indicated in paragraph 16 of the performance report (A/54/721), UNOMIG sought surplus assets from the United Nations Logistics Base at Brindisi and other peacekeeping missions valued at $1.8 million. Upon enquiry, the Committee was provided with a list of assets, which is contained in the annex to the present report.

10. The Committee notes that, in the report of the Secretary-General to the Security Council (S/2000/39) on the situation in Abkhazia, Georgia, dated 19 January 2000, reference is made to a considerable number of organizations, including non-governmental organizations, that are involved in a number of activities, including the delivery of humanitarian programmes. Upon enquiry as to the modalities for coordination in security matters, the Committee was informed that in the UNOMIG area of operations, the Special Representative of the Secretary-General was in charge of security matters and the Chief Military Observer had been delegated the authority to supervise and oversee all aspects of security in the Mission area. However, when other United Nations agencies and entities were functioning in the UNOMIG area of operations in the context of mandated activities, the higher and stricter standards of security observed by UNOMIG were not always followed. **The Advisory Committee is of the opinion that the actions taken by the Special Representative of the Secretary-General and the Chief Military Observer to strengthen personnel security for UNOMIG should be analysed to determine whether there are practices that could be employed in missions with similar security problems.**

11. Paragraph 20 of the performance report (A/54/721) contains an outline of the actions to be taken by the General Assembly at its fifty-fourth session in connection with the financing of UNOMIG. **The Advisory Committee recommends that the amount of $290,200 gross ($485,200 net) for the maintenance of UNOMIG for the period from 1 July 1997 to 30 June 1998 be assessed. The Advisory Committee also recommends the appropriation and assessment of the additional amount of $1,076,720 gross ($1,073,320 net) from the amount of $1,534,400 gross ($1,426,600 net) which the Committee had authorized under the provisions of section IV of General Assembly resolution 49/233 A of 23 December 1994 for the period from 1 July 1998 to 30 June 1999.**

Cost estimates for the period from 1 July 2000 to 30 June 2001

12. As indicated in paragraphs 1 and 2 and table 1 of the report of the Secretary-General on the proposed budget for UNOMIG (A/54/735), the cost estimates proposed for the maintenance of the Mission for the period from 1 July 2000 to 30 June 2001 amount to $28,399,800 gross ($26,891,100 net), representing a 2.6 per cent decrease ($756,600) in relation to the apportionment of $29,156,400 (gross) in total resources for the current period from 1 July 1999 to 30 June 2000. The Committee notes from table 1 of the budget report that the decreases were under military personnel and operational costs, offset by increases in civilian personnel, other programmes and staff assessments.

13. With regard to staff resources, the Advisory Committee notes from paragraph 16 of the budget report (A/54/735) that the increase of nine local posts consists of the conversion of nine local-level personnel from individual contractor status to nine local-level staff posts, in view of the fact that they perform functions of an ongoing nature. Upon enquiry, the Committee was informed that the cost of nine local-level personnel on an individual contractual basis is estimated at $68,300, while the cost of conversion to local posts would be approximately $99,000, a difference of $30,700. **In the opinion of the Advisory Committee, the proposed conversion makes the total number of posts required for continuing functions more transparent.**

14. The Advisory Committee notes from paragraph 17 of the budget report (A/54/735) that no conversions from General Service to locally recruited staff were currently possible. **In this connection, the Advisory Committee recalls and reiterates its recommendation in its earlier reports on the financing of the United Nations peacekeeping operations (A/52/860, para. 38, and A/53/895, para. 24) that efforts should be made to identify which administrative tasks can be performed by local staff, with the realization of attendant savings.**

15. As indicated in paragraph 7 of annex I.C to the budget report (A/54/735), provision for salaries, common staff costs and mission subsistence allowance for the period from 1 July 2000 to 30 June 2001 takes into account a 10 per cent vacancy factor for international staff and a 5 per cent vacancy factor for local staff. The Advisory Committee notes from annex II to the performance report (A/54/721) that, for the period from 1 July 1998 to 30 June 1999, the average monthly vacancy rate was 10 per cent for international staff and 3 per cent for local staff. The Committee was informed that, as of 31 December 1999, the average monthly vacancy rate was 34 per cent for military observers, 19 per cent for international staff and 6 per cent for local staff. **Under the circumstances, it appears that the rates used in providing for salaries, common staff costs and mission subsistence allowance for the period from 1 July 2000 to 30 June 2001 are not fully in line with the most recent experience. The Advisory Committee requests that this be monitored and will revert to the matter in the context of the next performance report.**

16. In connection with public information programmes, the Advisory Committee notes that this function has not been performed for the last two years. Upon enquiry, the Committee was informed that the absence of this activity was attributable to lack of qualified personnel. **In this connection, the Advisory Committee encourages the Secretariat to intensify its efforts in identifying qualified personnel for the public information programme in UNOMIG.**

17. Provision for training for the period from 1 July 2000 to 30 June 2001 amounted to $53,000, representing an increase of $10,000 over the amount of $43,000 for the previous period (A/54/735, annex I.C, para. 19). Upon enquiry, the Advisory Committee was informed that the increase reflected new priorities.

18. **With regard to the actions to be taken by the General Assembly at its fifty-fourth session, the Advisory Committee agrees with the proposal of the Secretary-General as indicated in paragraph 3 of his report (A/54/735) and recommends the appropriation of the amount of $28,399,800 gross ($26,891,100 net) for the maintenance of the Mission for the 12-month period from 1 July 2000 to 30 June 2001 and the assessment of that amount at a monthly rate of $2,366,650 gross ($2,240,925 net) should the Security Council decide to continue the mandate of the Mission beyond 31 July 2000.**

Annex

Transfer of assets to UNOMIG from other missions and the United Nations Logistics Base at Brindisi during the period from 1 July 1998 to 30 June 1999

Description of equipment	*Quantity*	*Total value (United States dollars)*
UNTAES		
Water tanks	7	26 556.08
Fuel tank	1	9 470.16
Fuel tank, 7500 litre	2	4 455.00
Ablution container	5	48 428.00
Mixed items (polymeric de-icing fluid, antifreeze)	1 Lot	14 137.71
Mixed items (fuel jet heater, mine detector)	1 Lot	28 251.37
Mixed items (fire alarm control panel, fire extinguishers, smoke detectors)	1 Lot	33 683.95
Toyota Cressida	2	21 001.52
Toyota spare parts		18 309.76
Renault ambulance	4	161 200.00
Renault ambulance spare parts		15 051.34
Refrigerators/freezers containers	8	148 480.00
Container, sea, 20-foot	2	3 060.00
UNMOGIP		
Inmarsat M Terminal	3	15 000.00
UNPSG		
GMC Suburban armed vehicle plus spare parts	1	151 678.20
UNLB		
Television, 29-inch	6	10 720.00
Mine detectors	12	40 134.55
Ice maker machine	1	1 600.00
Telephone exchange boards	1 Lot	2 000.00
Decals	1 Lot	2 200.00
Mixed, decals letters	721	8 199.00
Mixed, decals letters	2 389	13 727.00
Motorola VHF GM300	50	25 241.00
Transceiver VHF mobile		
Sea container, 20-foot	5	6 550.00
Water pump/diesel engine	6	78 906.00
Water pump/cylinder, 350 gal/min	6	77 755.00
Pressure suction hose	5	4 749.26
Trailer fuel, 20,000 litre tanker	2	62 574.00

Description of equipment	*Quantity*	*Total value (United States dollars)*
Forklift, hyster	1	232 328.31
Truck fuel, Volvo	2	153 800.00
Crane	1	119 643.00
Truck cargo, heavy, Renault	1	78 874.00
Trailer drawbar, platform	1	18 800.00
Flatrack	1	4 500.00
Modem Protection Switch Satellite and Multiplexer Satellite	1	209 500.00
Public address system speaker JLB	2	620.00
Transceiver VHF air band, base station	3	16 000.00
Battery cabinet F/10KVA, uninterruptible power supply	2	2 000.00
Total		**1 869 184.21**

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Financing of the United Nations Mission in Bosnia and Herzegovina

Financing of the United Nations Mission in Bosnia and Herzegovina

Report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General containing the financial performance report for the period from 1 July 1998 to 30 June 1999 of the United Nations Mission in Bosnia and Herzegovina (UNMIBH) (A/54/697), including the liaison office at Belgrade and the liaison and administrative offices at Zagreb and the United Nations Mission of Observers in Prevlaka (UNMOP), which, although an independent mission, is treated as part of UNMIBH for administrative and budgetary purposes.

2. The action to be taken by the General Assembly in connection with the financing of UNMIBH for the period from 1 July 1998 to 30 June 1999 is indicated in paragraph 13 of document A/54/697. **The Committee recommends that the unencumbered balance of $19,642,720 gross ($17,805,020 net) for the period from 1 July 1998 to 30 June 1999 should be credited to Member States in a manner to be decided by the General Assembly.**

3. The Advisory Committee has also considered the report of the Secretary-General containing the proposed budget of UNMIBH for the period from 1 July 2000 to 30 June 2001 (A/54/712), including the United Nations liaison offices at Belgrade and Zagreb and UNMOP. During its consideration of the reports, the Committee met with representatives of the Secretary-General, including the Chief Administrative Officer of UNMIBH, who provided the Committee with additional information and clarifications. In its review of the budget estimates, the Committee also took into account information contained in the reports of the Secretary-General to the Security Council on UNMIBH, in particular the Secretary-General's report of 17 December 1999 (S/1999/1260).

4. Paragraph 3 of document A/54/712 sets out the actions to be taken by the General Assembly in connection with the financing of UNMIBH for the 12-month period from 1 July 2000 to 30 June 2001. **Taking into account the performance information for the period ending 30 June 1999 and the expenditure estimate for the current period, as at 31 December 1999, mentioned in paragraphs 5 to 13 and 15 below, the Advisory Committee is of the opinion that the requirements for the period from 1 July 2000 to 30 June 2001 should not exceed an amount of $150 million gross. Consequently, the Committee recommends that the General Assembly**

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appropriate and assess such amount, should the Security Council decide to continue the mandate of the Mission.

Financial performance report for the period from 1 July 1998 to 30 June 1999

5. The Advisory Committee was informed by the Controller, in his letter of 31 July 1998, that following the decisions of the Security Council in its resolutions 1168 (1998) of 21 May 1998 and 1184 (1998) of 16 July 1998, in the light of the slippage in the deployment of civilian personnel, the additional requirements resulting from the expansion of the mandate of UNMIBH would be absorbed within the resources appropriated for the Mission in General Assembly resolution 52/243 of 26 June 1998. The cost of increasing the strength of the International Police Task Force (IPTF) by 30 police was estimated at some $1.4 million and that of establishing a programme to monitor and assess the court system in Bosnia and Herzegovina at some $3.4 million for the period from 1 September 1998 to 30 June 1999.

6. The financial performance report of UNMIBH for the period from 1 July 1998 to 30 June 1999 reflects expenditures in the amount of $169,841,000 gross ($161,788,300 net), resulting in an unencumbered balance of $19,642,720 gross ($17,805,020 net). The unencumbered balance resulted mainly from reduced requirements for civilian personnel costs of $15,861,500 ($7,835,100 for civilian police and $8,026,400 for international and local staff).

7. Unspent balances under civilian police resulted primarily from an average vacancy rate of 5 per cent (no vacancy factor was applied in the budget for the police), a decrease in the daily mission subsistence allowance applicable in the mission area after 30 days from $90 to $75, effective May 1999, and reduced travel costs from savings in provisions for accompanied excess baggage which were waived by most airlines for military observers and civilian police. Under-expenditure under international and local staff reflected a high vacancy rate of 13 per cent for international staff (5 per cent was applied in the budget for international staff) and a large number of mission appointees (70 per cent of Professional and Field Service staff) whose non-entitlement to post adjustment resulted in expenditure for common staff costs lower than the standard costs budgeted. In addition, there were underutilized resources under local salaries because staff were employed at lower levels than budgeted, with an average vacancy rate of 5 per cent (A/54/697, annex II, paras. 3 and 4).

8. The Advisory Committee was provided with a detailed schedule of monthly authorized staffing and actual deployment of military and civilian personnel for the period from 1 July 1998 to 30 June 1999. The Committee was informed that movements of civilian police included the loan of 203 police monitors to the United Nations Interim Administration Mission in Kosovo (UNMIK), and discussions were under way to obtain their replacement with expertise that would be in line with the new concept of the UNMIBH operation.

9. An unutilized balance of $3,291,800 resulted from reduced operational requirements, including unspent balances under premises/accommodation ($110,500), transport operations ($1,703,100), air operations ($1,114,500), communications ($1,275,400) other equipment ($31,700) and air and surface freight ($6,600), which were partially offset by additional requirements under supplies and services ($950,000) (A/54/697, annex II, para. 6).

10. The Advisory Committee was informed that unliquidated obligations in an amount of $16.1 million, as of 30 June 1999, included in the total expenditure for the reporting period of $169,841,000 gross (A/54/697, table 1), have since been reduced to $7.3 million, as at 31 December 1999. Furthermore, under the death and disability compensation line of the budget, an amount of $788,644 was paid for nine claims, leaving a balance of $1,582,800 in unliquidated obligations and 44 pending claims, as at 31 December 1999.

11. The Advisory Committee was also informed that the total amount assessed on Member States for UNMIBH for the period from its inception on 1 January 1996 to 31 December 1999 is $674.1 million, against which the payments received amount to $606.0 million, leaving an outstanding balance of $68.1 million.

12. The Advisory Committee has commented in a previous report on the continued need to improve the present arrangements for notifying Member States about police needs for better screening, selection and

aining, thus leading to efficiency in management of olice and reductions in their cost (A/53/895/Add.6, ra. 8). In this connection, the Chief of the Civilian olice Unit of the Department of Peacekeeping perations of the Secretariat briefed the Committee on rogress made to address the problem of delays in eployment and the number of untimely repatriations f police monitors in peacekeeping operations. A view has been made of the selection process. election and assessment teams are now going to those ountries that provide a large number of police onitors. More effective methods of testing and election are under development, including moving esting from the mission area to the countries that ontribute monitors. The Committee was provided, pon request, with a breakdown by reasons for early epatriation of civilian police, for the period from July 997 to December 1999 (see annex I to the present eport). **In this connection, the Advisory Committee equests that, in future, more precise information e given on the category "failure to meet mission equirement" indicating how many repatriations ere attributable to problems in the United Nations election process. In addition, information should be upplied on the amount that has been reimbursed to he United Nations and Governments in respect of epatriations.**

3. The Advisory Committee notes from annex II, aragraph 7, of the performance report (A/54/697) that eight for vehicles was lower than the estimated cost f 15 per cent of equipment. However, in the budget roposal for the fiscal period 2000/01, the standard 15 er cent has been applied (see para. 23 below). The Committee notes that the same rate of 15 per cent has een applied for the budget of other missions (see for xample, the proposed budget for the United Nations nterim Force in Lebanon, A/54/724, annex II.C). **The Committee requests a review of these rates to etermine whether performance data warrant a hange in the standard rate.**

Information on performance for the current period

4. The Advisory Committee was informed that gainst the authorized staffing establishment of UNMIBH for the period from 1 July 1999 to 30 June 000 (28 military observers in Prevlaka, 5 military iaison officers in Bosnia and Herzegovina, 2,057 civilian police, 413 international staff, 8 National Officers and 1,437 local staff) (see A/54/712, table 2), currently encumbered posts were 26 military observers in Prevlaka, 3 military liaison officers in Bosnia and Herzegovina, 1,746 civilian police, 340 international staff, 5 National Officers and 1,297 local staff.

15. The Advisory Committee was provided with expenditure data for the period from 1 July 1999 to 30 June 2000, as at 31 December 1999. Expenditure for the period amounted to $77,543,400 against apportionment of $168,192,000 (see annex II to the present report).

Cost estimates for the period from 1 July 2000 to 30 June 2001

16. The proposed budget for the period from 1 July 2000 to 30 June 2001 for the maintenance of UNMIBH, including UNMOP and the United Nations liaison offices at Belgrade and Zagreb, amounts to $153,588,000 gross ($145,543,200 net). These estimates represent an 8.4 per cent decrease ($14,012,000) in gross terms in relation to the apportionment for the current budget period ending 30 June 2000, exclusive of provision for the support account for peacekeeping operations. As indicated in paragraph 2 and table 1 of document A/54/712, the proposed budget includes decreases of $14,309,900 or 10.9 per cent in civilian personnel costs and $1,967,600 or 19.7 per cent in staff assessment costs, partially offset by increases of $601,400 or 49.1 per cent in military personnel costs, $1,420,900 or 5.6 per cent in operational costs, and $243,200 or 106.2 per cent in costs of other programmes.

17. The proposed military and civilian police strength of UNMIBH remains at 28 military observers in Prevlaka and five military liaison officers in Bosnia and Herzegovina and 2,057 civilian police in Bosnia and Herzegovina deployed at seven regional offices and 55 police stations (see A/54/712, annex VI.D, for a detailed breakdown of the location of the International Police Task Force).

18. The Advisory Committee notes from paragraphs 4 and 6 of annex I.C of the proposed budget that the increase of $601,400 under military personnel costs relates to an increase for death and disability compensation of $800,000, offset by a decrease for military observers of $198,600. At the end of 1998, a

total of six claims had been certified for payment since the inception of UNMIBH in January 1996. A total of 44 incidents have been reported to date, and it is anticipated that for a number of cases related claims will be submitted. The Advisory Committee recalls that, as indicated in annex I.C, paragraph 2, of the proposed budget for the period from 1 July 1999 to 30 June 2000 (A/53/800), no provision was included for death and disability compensation. From the Mission's inception, $2.4 million was obligated in UNMIBH accounts and only six claims were certified, amounting to approximately $700,000, leaving a balance of $1.7 million.

19. The proposed civilian staff component comprises 398 international staff, 15 National Officers and 1,438 local staff, reflecting a decrease of 15 international staff posts and increases of seven National Officer posts and one local staff post (A/54/712, table 2).

20. As indicated in annex I.C, paragraph 1, of the proposed budget (A/54/712), the cost estimates for the period from 1 July 2000 to 30 June 2001 are based upon a 5 per cent vacancy factor in respect of civilian police and a 10 per cent vacancy factor in respect of international staff. Salaries of internationally recruited staff take into account non-entitlement to post adjustment for 70 per cent of Professional and Field Service staff, who are classified as mission appointees. Local staff costs are inclusive of a 5 per cent vacancy rate factor. The Advisory Committee notes from paragraphs 8 to 13 of annex I.C to document A/54/712 that appropriate reductions are applied to the proposed budget of UNMIBH, taking into account the performance experience for the period ending 30 June 1999.

21. The changes in the staffing requirements for the Mission are summarized and explained in section VIII.A and paragraphs 21 to 30 of the proposed budget (A/54/712). Section VIII.B of the proposed budget shows a detailed breakdown by organizational unit of current and proposed staffing. **The Advisory Committee welcomes the proposals included in paragraph 23 of the budget report, identifying 10 General Service and two Field Service posts for replacement by local posts in response to General Assembly resolution 53/233 of 8 June 1999.** In that resolution the Assembly had requested the Secretary-General, in order to reduce the cost of employing General Service staff, to continue efforts to recruit local staff for the Mission against General Service posts, commensurate with its requirements. **The Committee also recommends acceptance of the proposals in paragraphs 24 and 25 of the budget report to increase the number of National Officer posts from 8 to 15 for requirements of the Mission. The views of the Committee on National Officer posts in peacekeeping operations are indicated in paragraph 25 of its report of 1 April 1999 (A/53/895/Add.6); in this connection the Committee recalls its request for a study.**

22. The Advisory Committee notes from paragraph 30 of document A/54/712 that, consistent with its recommendation in paragraph 31 of its report of 1 April 1999 (A/53/895/Add.6), a review was undertaken of the need to have both liaison and administrative offices and in separate locations at Zagreb. As a result, some administrative functions would be consolidated with a consequent reduction of 19 posts (one P-3, two Field Service and 16 local-level posts) from 25 posts established at the Zagreb administrative office in the budget period from 1 July 1999 to 30 June 2000.

23. As indicated in annex I.C, paragraph 20, and annex II.C of document A/54/712, non-recurrent provision under transport operations amounts to $4,796,100, including $625,600 for freight at 15 per cent, for replacement of 205 vehicles out of a total inventory of 1,345. The Advisory Committee notes that, as indicated in paragraph 13 above, for the period 1 July 1998 to 30 June 1999, the freight for vehicles was lower than the estimated cost of 15 per cent of equipment. The Committee recalls that, for the 1999/00 budget, UNMIBH proposed to replace 222 vehicles and purchase five additional trucks at a cost of $3,880,100, including $506,100 for freight at 15 per cent; furthermore, UNMIBH replaced 398 vehicles in 1998/99 and 404 in 1997/98 (A/53/800, annex II.C, and A/53/895/Add.6, para. 34). Thus, starting in 1997 and ending in 2001, UNMIBH would have replaced a total of 1,229 vehicles. **The Committee is not convinced of the need to continue to replace automatically all vehicles that have reached the replacement threshold of five years old or have been driven beyond 120,000 kilometres (see A/53/800, annex I.C, para. 15). In the view of the Committee, a vehicle should not be replaced merely because it has reached the replacement cycle, but because it is no longer usable or economical to continue to operate. In addition to implementation of the current replacement policy, the Committee believes that**

other reasons for replacement (e.g., extensively damaged owing to accidents or lost because of hostility or theft) should be indicated in a more transparent manner in future budgets.

24. The Advisory Committee was provided with a summary of UNMIBH year-end inventory for the period from 1 July 1998 to 30 June 1999. While the Committee acknowledges the progress made in accounting for inventory, it does not believe the management problems identified in the past have been fully redressed. In the Committee's opinion, information provided is not always of much help in evaluating the request for additional acquisition because of discrepancies and inconsistencies in the information provided. For example, in annex II.C of the budget report (A/54/712), under the heading "Current inventory", holding of buses is given as 114 (89 light and 25 medium). However, the information provided to the Committee, as of 30 June 1999, shows holding of buses as 119 (light and medium buses are not identified). The proposed budget for 2000/01 includes provision for 14 additional light buses (at a unit price of $12,250) and 5 medium buses (at a unit price of $35,000). The Standard Cost Manual given to the Committee shows, however, a standard cost of $13,250 for light buses, but the budget report does not indicate the reasons for the discount. For the previous budget period, from 1 July 1999 to 30 June 2000, annex II.C of document A/53/800 shows the inventory of buses as 100 light and 26 medium, and the replacement of 60 light buses and 10 medium was requested, with unit prices of $13,000 for light buses and $35,000 for medium buses.

25. With respect to other equipment including communications, the Advisory Committee acknowledges the need to provide for additional capacity resulting from new refocusing of the implementation of the Mission's mandate (see para. 26 below). However, the Committee cautions against any tendency to decide automatically on the requisition of the state-of-the-art equipment. **In the view of the Committee, the current replacement policy cycles for various inventory items should be reviewed and made more transparent. As in the case of vehicles, mentioned in paragraph 23 above, equipment items should not be replaced merely because they have reached the replacement cycle but because they are no longer usable or economical.**

26. The Advisory Committee notes, from paragraph 19 of the report of the Secretary-General to the Security Council of 17 December 1999 (S/1999/1260), that "UNMIBH has developed an enhanced and potentially more effective strategic approach" to address some of the Mission's operational problems, and that "This targeted concept of operations comprises full co-location of IPTF with key local police managers, extensive use of audits and micro-audits of police administration, vigorous implementation of non-compliance and de-certification policies, and the co-location and active involvement of UNMIBH's judicial experts, as appropriate". The Committee is of the view that these changes and related realignments of resources should have been explained more clearly in the budget report. **The Committee requests that in future budgets this weakness should be remedied.**

27. Coordination among the partners in the Mission is explained in paragraphs 14 to 17 of document S/1999/1260. The Advisory Committee was informed that the main partners of the United Nations include the Office of the High Representative for the implementation of the Peace Agreement on Bosnia and Herzegovina, the multinational stabilization force (SFOR) and the Organization for Security and Cooperation in Europe (OSCE). **The Advisory Committee requests that in the future additional information be given to it, indicating the mechanisms for coordination and the various roles and functions of the partners. This would enable the Committee to ascertain the extent to which duplication is being avoided and whether resources provided by the General Assembly are being applied effectively and efficiently.**

Annex I

United Nations Mission in Bosnia and Herzegovina

Early repatriation of civilian police	*July 1997 to June 1998*	*July 1998 to June 1999*	*July to December 1999*
Medical grounds	21	20	4
Compassionate grounds	4	3	2
Failure to meet mission requirements	53	47	85
Disciplinary grounds	11	9	5
Government request	5	4	4
Deceased	6	-	-
Other grounds	42	57	33
Total	**142**[a]	**140**[b]	**133**[c]

[a] A total of 31 early repatriations were borne by the United Nations.
[b] A total of 23 early repatriations were borne by the United Nations.
[c] A total of 6 early repatriations were borne by the United Nations.

Annex II

Expenditures of the United Nations Mission in Bosnia and Herzegovina for the period from 1 July 1999 to 30 June 2000 as at 31 December 1999

(Thousands of United States dollars)

Category of expenditures	*Apportioned*[a]	*Expenditures*	*Unencumbered balance*
I. Military personnel costs	1 224.0	500.0	724.0
II. Civilian personnel costs	130 799.0	51 477.0	79 322.0
III. Operational requirements			
Premises/accommodation	4 054.8	3 060.0	994.8
Infrastructure repairs	98.0	10.0	88.0
Transport operations	7 739.5	5 312.0	2 427.5
Air operations	1 507.1	674.0	833.1
Naval operations	-	-	-
Communications	5 088.9	2 037.0	3 051.9
Other equipment	3 624.4	1 863.0	1 761.4
Supplies and services	3 072.9	1 811.0	1 261.9
Air and surface freight	150.0	70.0	80.0
Subtotal, category III	**25 335.6**	**14 837.0**	**10 498.6**
IV. Other programmes			
Election-related supplies and services	-	-	-
Public information programmes	99.5	76.0	23.5
Training programmes	129.5	49.0	80.5
Mine-clearing programmes	-	-	-
Assistance for disarmament and demobilization	-	-	-
Subtotal, category IV	**229.0**	**125.0**	**104.0**
V. United Nations Logistics Base at Brindisi[b]	1 738.5	1 738.5	-
VI. Support account for peacekeeping operations[b]	8 865.9	8 865.9	-
VII. Staff assessment	10 012.4	3 474.0	6 538.4
Total, categories I-VII	**178 204.4**	**81 017.4**	**97 187.0**

Category of expenditures	*Apportioned*[a]	*Expenditures*	*Unencumbered balance*
VIII. Income from staff assessment	(10 012.4)	(3 474.0)	(6 538.4)
Net total	**168 192.0**	**77 543.4**	**90 648.6**
IX. Voluntary contributions in-kind	-	-	-
Total resources	**168 192.0**	**77 543.4**	**90 648.6**

[a] Based on the appropriation provided in General Assembly resolution 53/233.

[b] In resolution 53/233 the General Assembly appropriated $1,738,493 for the United Nations Logistics Base at Brindisi and $8,865,888 for the support account for peacekeeping operations.

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Financing of the United Nations Mission for the Referendum in Western Sahara

Report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the financial performance of the United Nations Mission for the Referendum in Western Sahara (MINURSO) for the period from 1 July 1998 to 30 June 1999 (A/54/780) and on the proposed budget for the 12-month period from 1 July 2000 to 30 June 2001 (A/54/785). During its consideration of the reports, the Committee met with representatives of the Secretary-General, who provided additional information and clarifications.

2. MINURSO was established by the Security Council in its resolution 690 (1991) of 29 April 1991 for an initial period of six months. Since then, its mandate has been extended by the Security Council in various resolutions, the latest being resolution 1292 (2000) of 29 February 2000, by which the Council further extended the mandate of the Mission until 31 May 2000.

Financial performance report for the period from 1 July 1998 to 30 June 1999

3. In its resolutions 52/228 B of 26 June 1998 and 53/18 A of 2 November 1998, the General Assembly appropriated an amount of $60 million gross ($55,918,800 net) for the maintenance of MINURSO for the period from 1 July 1998 to 30 June 1999. Of that appropriation, $46,031,077 gross ($43,001,827 net) has been assessed on Member States. Expenditures for the period totalled $44,607,700 gross ($42,398,200 net), resulting in an unutilized balance of appropriation of $15,392,300 gross ($13,520,600 net), or 26 per cent of the total appropriation, and an unutilized balance of assessments of $1,423,377 gross ($603,627 net). The

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unutilized balances resulted mainly from the suspension of the process of identification of eligible voters in the referendum for the self-determination of the people of Western Sahara between August 1998 and June 1999 pending the outcome of United Nations consultations with the parties to resolve difficulties in identifying applicants from certain tribal groupings.

4. As indicated in section II of the report of the Secretary-General (A/54/780), the suspension of the identification process has resulted in unutilized balances under all main categories of expenditure which have been sufficient to offset additional requirements arising from the delayed deployment of a military demining unit that had been provided for in the Mission's 1997/98 budget, the early repatriation of the engineering support unit and the hire of an additional fixed-wing aircraft during the peak period of activity in July and August 1998.

5. With regard to military personnel, an unutilized balance of $2,941,300 resulted from repatriation of the engineering unit, which was carried out because of the uncertainty as to the resumption of identification activities. Pending the conclusion of political consultations and the resolution of the impasse, civilian police whose tours of duty had ended and Identification Commission personnel whose contracts expired on 31 December 1998 were not replaced, resulting in a significantly higher than anticipated vacancy rates for civilian police and international civilian personnel (38 and 29 per cent respectively) and an unutilized balance of $7,633,500 under civilian personnel costs. The suspension of identification activities also accounted for a reduction of $2,822,600 in operational requirements, which included the early termination of a hire contract for one MI-8 helicopter and the utilization of fewer flight hours than originally budgeted, as well as the non-utilization of funds for hotel accommodations for Identification Commission staff.

6. The Advisory Committee was informed that troop cost reimbursement from 1 September 1991 to 30 April 1999 totalled $5.7 million, while the amount owed for the period from 1 May 1999 to 29 February 2000 was $229,472. With regard to contingent-owned equipment, the Committee was informed that the amount owed as at 29 February 2000 was $5.1 million and that there had been no reimbursement to troop-contributing countries as at that date. Unliquidated obligations in respect of contingent-owned equipment as at 29 February 2000 amounted to $6.0 million. Under death and disability compensation, the Committee was informed that $317,560 had been paid as at 29 February 2000 for 12 claims, leaving a balance of $562,136 in unliquidated obligations and one pending claim. The Committee was informed that the cash position of MINURSO as at 29 February 2000 was $7.7 million, unliquidated obligations for the period from 1 July 1998 to 30 June 1999 amounted to $3.2 million and current loans totalled $20.6 million.

7. The Advisory Committee was also informed that the total amount assessed on Member States for MINURSO for the period from 29 April 1991 to 29 February 2000 was $391.4 million, against which the payments received amounted to $322.2 million, leaving an outstanding balance of $69.2 million.

8. The actions to be taken by the General Assembly in connection with the financing of MINURSO for the period from 1 July 1998 to 30 June 1999 are indicated in paragraph 17 of the performance report (A/54/780). **In view of the unforeseen changes in the implementation of the mandate of the Mission, the Advisory Committee recommends reduction of the appropriation provided in General Assembly resolutions 52/228 B and 53/18 A for the period from 1 July**

1998 to 30 June 1999 from $60 million gross ($55,918,800 net) to $46,031,077 gross ($43,001,827 net) corresponding to the amount actually assessed on Member States. The Committee also recommends that the unutilized balance of $1,423,377 gross ($603,627 net), based on the reduced appropriation recommended above, be credited to Member States in a manner to be decided by the General Assembly.

Information on performance for the current period

9. The Advisory Committee was informed that, against the authorized staffing establishment of MINURSO for the period from 1 July 1999 to 30 June 2000 of 27 military contingents, 203 military observers, 81 civilian police, 328 international staff, 113 local staff and 10 observers from the Organization of African Unity (OAU), the posts encumbered as at 29 February 2000 were 27 military contingents, 200 military observers, 80 civilian police, 290 international staff, 109 local staff and 8 OAU observers.

10. The Advisory Committee was provided with expenditure data for the period from 1 July 1999 to 30 June 2000 as at 29 February 2000. Expenditure for the period amounted to $30,129,400 against an apportionment of $51,752,400.

Cost estimates for the period from 1 July 2000 to 30 June 2001

11. As indicated in paragraph 1 of the report of the Secretary-General (A/54/785), an amount of $46,611,600 gross ($42,772,800 net) has been requested for the maintenance of MINURSO for the 12-month period from 1 July 2000 to 30 June 2001. This request represents a 5 per cent decrease ($2,411,400) in gross terms in relation to the apportionment for the current period ending 30 June 2000. The proposed budget reflects decreases of $167,600, or 2 per cent, in military personnel costs; $916,500, or 4 per cent, in civilian personnel costs; $1,232,500, or 11 per cent, in operational requirements; and $112,800, or 3 per cent, in staff assessment, offset by an increase of $18,000, or 100 per cent, in other programmes.

12. The Advisory Committee takes note of the intractable problems faced by MINURSO in the implementation of the settlement plan (see paras. 32-37 of the report of the Secretary-General to the Security Council dated 17 February 2000 (S/2000/131)). Implementation of the plan has been impeded by fundamental differences between the parties over the interpretation of the main provisions of the plan, most notably the issue of the establishment of the electorate. The Committee takes note of the statement by the Secretary-General in paragraph 33 of his report to the Security Council that "the two parties seem to share the belief that the composition of the electoral body will predetermine the outcome of the referendum". Therefore, over the period of almost nine years since the establishment of MINURSO, one or the other party has at different times withheld cooperation with the process of identification of eligible voters. The same underlying problems are likely to pervade the appeals process.

13. The Advisory Committee was informed that, as of 25 February 2000, a total of 86,411 applicants out of some 200,000 had been found eligible to vote in the referendum. In accordance with MINURSO appeals procedures, all those excluded from the provisional voter list have the right to appeal, while those found eligible can also challenge the inclusion of others. The Committee was informed that, as at

25 February 2000, almost 52,000 appeals had been received in connection with second part of the voter list. Together with the 79,000 appeals received from the first part of the voter list, this brings the total number of appeals received to over 130,000. The Committee was informed that, given this large number, the appeals process would likely be protracted, and, furthermore, that it was likely to be even more complicated than the identification process, especially given the fact that many applicants have indicated that they would provide witnesses to support their appeals. In addition, several other issues remain to be settled, such as the establishment of a protocol for the repatriation of Saharan refugees acceptable to all parties concerned and agreement on what would constitute appropriate security conditions for voting in the Territory. The Secretary-General has stated his intention to request his Personal Envoy to consult with the parties to explore ways and means to achieve an early, durable and agreed resolution to their dispute that would define their respective rights and obligations in Western Sahara. The Committee was informed that the Secretary-General would report to the Security Council towards the end of May 2000 on the results of those consultations.

14. The proposed budget reflects an increase in the international staffing establishment by 20 posts (12 posts at the P-4 level for additional Identification Commission members, 4 posts at the P-3 level for registration officers and 4 Field Service posts (one electronic data-processing assistant, one administrative assistant and two air support/movement control assistants)). An additional 18 local-level posts are also requested to support the activities of the Identification Commission. As indicated in paragraph 18 of the proposed budget, the additional posts are required to support and accelerate data processing with respect to activities at the 13 appeals centres. This would increase international staffing from 280 for the current period to 300 for the period from 1 July 2000 to 30 June 2001, and local staffing from 95 for the current period to 113 for the period from 1 July 2000 to 30 June 2001. In this connection, the Committee recalls its letter dated 6 October 1999, in which it concurred in the increase in staffing by 48 international and 18 local-level posts in connection with the operation of identification and appeals centres, and notes that the staffing requested for the period from 1 July 2000 to 30 June 2001 actually represents a decrease in staffing from the levels approved in October.

15. The Advisory Committee notes, as indicated in paragraph 8 of annex I.C of the proposed budget, that, based on the recent actual incumbency situation in MINURSO, the estimated international and local staff costs for the period from 1 July 2000 to 30 June 2001 reflect the application of vacancy factors of 35 per cent for Professional staff, 10 per cent for General Service and Field Service staff and 5 per cent for local staff. Incumbency for the current period, as indicated to the Committee, is mentioned in paragraph 9 above.

16. The actions to be taken by the General Assembly in connection with the financing of MINURSO for the period from 1 July 2000 to 30 June 2001 are set out in paragraph 3 of the proposed budget (A/54/785). **The Advisory Committee recommends that the amount of $46,611,600 gross ($42,772,800 net) be approved for the maintenance of MINURSO for the 12-month period beginning 1 July 2000, and that that amount be assessed at a monthly rate of $3,884,300 gross ($3,564,400 net) should the Security Council decide to extend the mandate of MINURSO beyond 31 May 2000.**

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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations: financing of the United Nations peacekeeping operations

Financing of the United Nations Logistics Base at Brindisi

Report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General (A/54/711 and A/54/733), which contain the financial performance report for the United Nations Logistics Base at Brindisi, Italy, for the period from 1 July 1998 to 30 June 1999, and the proposed budget for the Base for the period from 1 July 2000 to 30 June 2001. During its consideration of the reports, the Committee met with representatives of the Secretary-General, who provided additional information.

2. The Committee recalls that the Logistics Base has been operational since late 1994, carrying out tasks related to the maintenance of two-mission start-up kits in a state of readiness for deployment at short notice, offering services directly related to assets management, including refurbishment, maintenance and storage of serviceable assets from liquidating field missions, and providing communications support through the global satellite network to the United Nations, to peacekeeping operations and missions worldwide, and to several specialized agencies.

Financial performance report for the period from 1 July 1998 to 30 June 1999

3. The Committee recalls that the General Assembly, in its resolution 52/1 B of 26 June 1998, approved cost estimates of $7,141,800 for the financing of the Base for the period from 1 July 1998 to 30 June 1999, inclusive of $829,900 for the completion of two start-up kits. The unencumbered balance of $2,025,800 for the period from 1 July 1996 to 30 June 1997 was applied to the required resources, and the remaining balance of $5,116,000 was prorated among the approved appropriations of the individual active peacekeeping operation budgets to meet the financing requirements of the Base. Those amounts are reflected in the respective performance reports of each individual mission and in table 1 of the performance report for the Base (A/54/711).

4. As mentioned in paragraph 12 of the performance report, the expenditures for the period from 1 July 1998 to 30 June 1999 amounted to $6,690,000, including unliquidated obligations of $1,282,500. The resulting unencumbered balance of $451,800 is mostly due to

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civilian vacancies among international staff, as well as reduced requirements under transport and other programmes, offset by additional requirements for other equipment. The Committee was informed that unliquidated obligations had been reduced to $184,881 as at 31 December 1999.

5. Savings of $137,000 are reported under civilian personnel costs out of an apportionment of $3,967,200. An average of 19 international staff posts were encumbered out of the 20 authorized posts for the reporting period (an average vacancy rate of 7 per cent). Savings of $300,100 are also reported under operational requirements out of an apportionment of $3,124,600. The largest savings were under transport operations ($286,700), in view of lower costs per unit than budgeted for the start-up kits. Other savings resulted from underexpenditures under premises and accommodation ($33,800); communications ($27,200); supplies and services ($40,100) and freight ($2,000); these savings were partially offset by additional requirements under other equipment ($89,700) for office furniture, material-handling equipment and additional generator spare parts for in-house maintenance.

6. Paragraphs 4 to 11 of the performance report provide an overview on the implementation of the budget during the reporting period. In paragraph 11 it is indicated that surplus serviceable equipment, with an inventory value of $26.7 million, was received from three liquidating missions (the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium, the United Nations Preventive Deployment Force and the United Nations Observer Mission in Angola); equipment valued at $6.6 million was transferred from other peacekeeping missions, and equipment valued at $23.7 million was transferred from the Base. In addition, the Base transshipped equipment valued at $3.5 million in support of peacekeeping operations, and equipment valued at $1 million in support of the specialized agencies and other non-Secretariat entities (see also annex I to the present report).

7. The Committee sought additional information regarding the miscellaneous income of $1,166,000 referred to in paragraph 12 of the performance report and was provided with the following information:

Miscellaneous income

Source of income	*Amount (United States dollars)*
Sale of surplus assets	1 000 499
Refund of prior year's expenditure	21 627
Reimbursement of airline ticket	1 464
Income from services rendered to missions/ agencies	7 079
Income from use of training facilities	7 803
Transfer of assets to agencies through material release orders	126 035
Settlement for damaged shipment and payment for deviation in travel plans	1 328
Investment income	651
Total	**1 166 485**

8. The Committee further enquired about support provided, on an as-required basis, to the specialized agencies, or funds and programmes such as the Office of the United Nations High Commissioner for Refugees and the United Nations Children's Fund. In this regard, the Committee notes that for the period under review, outgoing shipments were valued at $983,743, and incoming at $54 (see annex I.C and D).

9. The Committee further notes that, through its global network, the satellite communications relay system supports operations at United Nations Headquarters, and the offices at Geneva and Nairobi, in addition to 21 field offices, the Food and Agriculture Organization of the United Nations and the World Food Programme (WFP) in Rome. The information provided to the Committee is attached as annex II to the present report.

10. In paragraph 8 it is indicated that the Base executed several procurement actions in connection with urgent requirements for missions. Information provided to the Committee on procurement on behalf of other entities, which amounted to $262,339 for the period, is attached (see annex III). **The Committee welcomes this trend to explore the potential capacity for wider use of the Base. The Committee requests that the related workload be monitored and appropriate reimbursement sought for these services. Moreover, the Committee recommends that the potential of the Base for use as a regional**

procurement centre be explored with the missions in the area (see also A/54/841, para. 32).

11. As mentioned in paragraph 6 above, the Base received surplus serviceable equipment from three liquidating missions during the reporting period and, as further indicated in paragraph 10 of the Secretary-General's report, a total of $3,340,247 was provided from the budgets of those missions for the cost of repair, refurbishment and preservation of the equipment (equal to 30 per cent of the total depreciated value of the equipment), in accordance with the resourcing policy approved by the General Assembly in paragraph 9 of its resolution 52/1 B. The Committee notes that the total expenditure of $6,690,000 reported for the period under review for the Base does not include these related costs, appropriated under the budgets of the liquidating peacekeeping missions. Moreover, as stated above, the Base is beginning to perform other functions for the United Nations, its funds and programmes, and the specialized agencies in the areas of training, procurement, trans-shipment of goods on behalf of other clients, and increasingly, providing communications support services. **The Committee is of the opinion, however, that regardless of the source of funding, there is a need for more transparency regarding the total cost of the operation of the Base.**

12. Upon enquiry, the Committee was informed that, according to current budgeting practice and the approved resourcing policy, the cost of the transfer and refurbishment of transferred equipment is budgeted for in the individual peacekeeping missions. Therefore, the cost for the work done at the Base is not allotted to the Base but to the mission concerned and the related expenditure incurred by the Base is settled through inter-office vouchers between Headquarters and the Base. **The Committee recommends that the efficiency of this procedure be reviewed and that the full cost of these activities be disclosed in the next budget presentation.**

13. The Committee recommends acceptance of the Secretary-General's proposal (A/54/711, para. 14) to apply the unencumbered balance of $451,800, as well as the interest income of $114,000 and miscellaneous income of $1,166,000, to the resources required for the period from 1 July 2000 to 30 June 2001.

Cost estimates for the period from 1 July 2000 to 30 June 2001

14. The Committee recalls that the General Assembly, in its resolution 53/236 of 8 June 1999, approved the Secretary-General's cost estimates of $7,456,500 gross for the Base for the period from 1 July 1999 to 30 June 2000. The General Assembly also decided to apply the unencumbered balance of $1,373,600 for the period from 1 July 1997 to 30 June 1998 to the resources required for the period from 1 July 1999 to 30 June 2000, and to prorate the balance of $6,082,900 among the individual active peacekeeping operation budgets.

15. An amount of $9,317,400 gross ($8,481,300 net) is proposed for the maintenance of the Base for the period from 1 July 2000 to 30 June 2001. The amount proposed constitutes an increase of $1,860,900 in total gross resources (or 25 per cent) in relation to the apportionment for the period from 1 July 1999 to 30 June 2000, indicated in paragraph 14 above.

16. The Committee notes that expenditures under civilian personnel costs increase from $4,220,100 in the current budget (1999-2000) to $4,471,700 in the proposed budget (2000-2001). The resources proposed take into account the lower post adjustment for international staff established by the International Civil Service Commission for Brindisi, a 28.8 per cent increase for local staff based on the revised salary scale effective 1 March 1999, provision for staff assessment, and a vacancy rate of 5 per cent for international staff.

17. As indicated in section VI of the report of the Secretary-General A/54/733), the proposed staffing requirements of the Base would be 106 staff, including 23 international posts (10 Professional and 13 Field Service posts) and 83 locally recruited staff. The Committee notes that the Secretary-General is requesting three additional Field Service posts to perform technical support tasks in the areas of communications and electronic data processing, as explained in paragraph 13 of the report. This would increase the staffing from 103, during the current period, to a total of 106 for the period from 1 July 2000 to 30 June 2001. **The Committee recommends acceptance of this proposal.**

18. No provision is made under general temporary assistance. In this regard, the Committee recalls that in its previous report (A/53/895/Add.8, para. 21) it

recommended that, should surges in activity arise requiring temporary additional staff resources, consideration be given to charging the related costs to the mission concerned, reflecting the related costs in the relevant performance report, until such time as the Base is able to assess additional staff requirements in the light of experience. The Committee, however, took note of the statement contained in the Secretary-General's report, in response to the Committee's recommendation (A/53/895/Add.8, para. 18), to the effect that the present submission reflects the "resource requirements necessary to accomplish the basic functions of the Base", and that the concept of operations is currently under review with a view to expanding the scope of its responsibilities (A/54/733, annex III).

19. The Committee enquired about the future potential of the Base and was provided with the following statement:

> "The Department of Peacekeeping Operations intends to review the concept of operations for the Base during 2000-2001, to take into account the experiences gained during the Base's first year of operations, in particular its role in supporting the launch of several large new complex missions at extremely short notice during that period. The current role and function of the Base will be re-examined with a view to strengthening its responsibilities as a forward logistics base and *matériel* staging area for peacekeeping operations.
>
> "This review will also extend to the concept, make-up and financing of the mission start-up kits, which were heavily used during the mission launches and which are consequently in a depleted condition."

20. The Committee welcomes this review. The Committee was informed that the results of the review and the changes proposed will be reflected in the next budget proposal, together with a presentation of the requirements in a more programmatic manner, as requested by the Committee in its previous report (A/53/895/Add.8).

21. As indicated in annex I.A and C of the report, the estimate provides operational costs amounting to $3,966,600, reflecting an increase of $770,200 over the current budget. This includes additional requirements under premises and accommodation, which increase by $195,000 compared to the current budget, owing to the installation of fire safety systems throughout the premises. An increase of $494,700 under other equipment is to replace and upgrade data-processing equipment, servers and software which become obsolete during this period, and an increase of $336,500 under communications is for the purchase of equipment to upgrade the network infrastructure at the Base, considered essential to maintain its strategic role as an inter-mission communications hub. These increases are actually offset by decreases under transport operations ($227,800), as a result of a lower number of reserve vehicles, and supplies and services ($28,200).

22. The General Assembly, in its resolution 53/236, encouraged the Secretary-General to take additional steps with a view to wider use of the Base by the specialized agencies and programmes of the United Nations system, taking into account the observations of the Committee contained in paragraphs 12 and 34 of its report (A/53/895/Add.8). The Committee notes from the information contained in paragraph 10 of the Secretary-General's report that the World Food Programme has signed a certificate of acceptance by which it accepted the temporary possession of two buildings and the partial use of a third, pending the revision of the implementation agreement between the United Nations and the Ministry of Defence of Italy to include WFP in the implementation agreement and the formal handing over of those facilities to WFP. In the meantime, the renovation of one of those buildings is scheduled to be completed by June 2000.

23. The Committee also requested information on the space made available by the host country, the space yet to be made available and the current use of space by the Base. The Committee was informed that, under the terms of the memorandum of understanding, the Base was to receive a total area of 346,145 m^2, which would have been transferred in two phases. To date, the Base has been provided a total area of 194,670 m^2, with a total of 52,570 remaining to be handed over from phase I and 98,905 to be transferred in phase II. Of the total area of 151,457 m^2 remaining for transfer to the United Nations, 16,052 relate to buildings. The areas, including buildings, occupied by the Base are fully utilized in providing logistics support to operations of the Department of Peacekeeping Operations. Of the facilities transferred to date, the Base has relinquished control of two buildings to WFP, namely, a warehouse

(3,148 m^2) and a hardened shelter (933 m^2). Those buildings were transferred in the context of facilitating the relocation of WFP operations from Pisa, and to advance the establishment of a humanitarian response depot at the Base incorporating activities and supplies of WFP, the World Health Organization and the Office for the Coordination of Humanitarian Affairs.

24. The proposed budget includes a provision of $43,000 for training, to enable staff to participate in various training programmes with a view to updating management capabilities, technical skills and overall competencies. The training courses are given either at the Base itself or at manufacturing facilities when specialized equipment requirements are integral to the success of the training programme. A detailed breakdown is provided in annex II.A to the report, under item 29. The total estimate takes into account requirements for training instructors fees ($23,000), daily subsistence allowance ($5,000), travel of instructors to and from the Base as well as travel of Base staff to manufacturers' facilities and other administrative fees ($15,000).

25. The Committee welcomes the use of the Base as a training centre. In this regard, the Committee notes, as indicated in the performance report (A/54/711, para. 7), that 11 training courses involving 190 participants from 21 missions, agencies and offices were held at the Base during the period from 1 July 1998 to 30 June 1999, covering communication and networking technologies, procurement, personnel, finance and supervisory skills. The Committee notes that similar training took place under the auspices of the United Nations Peacekeeping Force in Cyprus. The Committee is of the opinion that criteria must be clearly set for determining training priorities and that central, regional or local facilities should be used whenever deemed cost-effective.

26. A provision of $23,832 for three staff members for 126 person days (one coordinator/trainer, one staff member to support the application software, and one to support data activities) is indicated in the report (A/54/733, annex II.A, item 4), for the installation of the contingent-owned equipment and expendable supplies modules of the field mission logistics system. The Committee notes that the Base is the designated technical support unit providing on-the-spot assistance and guidance to electronic data-processing units within missions in the eastern sector. As such it requires specified staff members to be trained in the technical and maintenance aspects of each application software module.

27. The Committee recalls that the field assets control system was the first element or module of the field mission logistics system for the United Nations-owned equipment portion of the maintenance tracking system to provide condition tracking and the necessary controls for management and expendable spare parts used in the maintenance of non-expendable property and attractive items. Information provided to the Committee (see annex IV to the present report) indicates that as of January 2000 the field assets control system has been implemented in 18 field missions and that the total inventory value maintained in the database has grown to approximately $500 million.

28. The Committee further enquired as to the use of the field assets control system to manage and control inventory and concluded, on the basis of information from representatives of the Secretary-General, that the overall objective and benefits of the system are yet to be achieved. The Committee notes that despite the passage of time and reiterated requests, inventory management remains a cause of concern. Standard inventory management procedures are still not in visible operation. For example, columns on standardized item code classifications for the different types of item on the inventory, their date of purchase, normal or anticipated life expectancy were not forthcoming. The Committee remains convinced that without such standardized system it is impossible to track inventory or cases of mismanagement or avoidable loss. Given the new surge in peacekeeping operations and the high inventory values involved, the Committee reiterates that such a system must be implemented within the shortest period of time.

29. The Committee was informed that the Office of Internal Oversight Services would be evaluating the use of the system by peacekeeping missions. The Committee welcomes this development and requests that the conclusions of the review be taken into account in the preparation of the report, requested by the Committee in its report on the financial reports and audited financial statements and reports of the Board of Auditors (A/54/801, para. 21), on the use of the field assets control system and its effect on procurement and the management of

peacekeeping assets, and the implementation of the inclusion in the system of such elements as those mentioned in paragraph 28 above, to be submitted to the General Assembly at its fifty-fifth session.

30. The Committee was informed that, as at 31 December 1999, the Base had an inventory of assets valued at approximately $55,330,104. This included the Field Administration and Logistics Division reserve, start-up kits and Base assets. The Committee also received an updated cost-benefit analysis of the Base, using data from the period from 1 July 1998 to 30 June 1999. The Committee notes that, with annual operating costs estimated at approximately $6,690,000, and the book value of material shipped out by the Base (saving the Organization the cost of new procurement) estimated at $23,757,000, it is concluded that for every dollar spent on running the Base the United Nations has saved $3.40 in new procurement costs. The Committee remains convinced, therefore, of the utility and good work performed by the Logistics Base for the Organization.

31. The action to be taken by the General Assembly at its fifty-fourth session is outlined in paragraph 3 of the Secretary-General's report (A/54/733). **The Advisory Committee recommends approval of the Secretary-General's proposal.**

Annex I

Transfer of assets during the period from 1 July 1998 to 30 June 1999

A. Outgoing shipments from the Base to peacekeeping and other assessed operations

	Field Administration and Logistics Division reserve			
Destinations	*Expendables (United States dollars)*	*Assets (United States dollars)*	*Total value (United States dollars)*	*Total (kilograms)*
1. Peacekeeping operations				
MINUGUA	3 687.50	0.00	3 687.50	64.00
MINURCA	259 114.29	755 232.68	1 014 346.97	191 501.20
MINURSO	505 357.73	182 167.29	687 525.02	118 252.50
MIPONUH	66 433.77	529 905.49	596 339.26	79 929.00
MONUA	56 949.79	50 540.00	107 489.79	14 309.00
UNAMET	280 834.81	2 172 249.76	2 453 084.57	96 775.00
UNDOF	134 483.87	412 112.48	546 596.35	107 725.00
UNFICYP	31 282.20	1 181 545.09	1 212 827.29	178 527.66
UNIFIL	404 179.37	3 226 792.35	3 630 971.72	779 520.00
UNIKOM	68 650.22	239 030.00	307 680.22	27 390.80
UNMIBH	226 496.72	2 006 119.41	2 232 616.13	286 261.00
UNMIK	461 941.30	2 945 871.49	3 407 812.79	391 419.90
UNMOGIP	47 052.99	105 216.86	152 269.85	8 391.50
UNMOT	66 335.82	500 874.01	567 209.83	89 807.00
UNOMIG	109 809.35	1 202 867.55	1 312 676.90	153 535.00
UNOMSIL	381 664.61	1 401 842.55	1 783 507.16	302 522.00
UNPREDEP	267 172.72	1 638 496.21	1 905 668.93	567 315.00
Support group	1 000.00	0.00	1 000.00	21.50
UNTSO	26 159.67	323 315.69	349 475.36	13 066.50
Subtotal	**3 398 606.73**	**18 874 178.91**	**22 272 785.64**	**3 406 333.56**
2. Other assessed operations				
United Nations Office in Burundi	0.00	15 000.00	15 000.00	23.00
United Nations Peace-building Support Office in Guinea-Bissau	8 653.25	74 429.75	83 083.00	5 010.00
United Nations Peace-building Support Office in Liberia	3 400.00	520.00	3 920.00	88.0
United Nations Political Office in Bougainville	8 355.86	198 634.16	206 990.02	8 938.00
Subtotal	**20 409.11**	**288 583.91**	**308 993.02**	**14 059.00**
3. United Nations Headquarters	**3 141.25**	**188 232.65**	**191 373.90**	**354.50**
Total	**3 422 157.09**	**19 350 995.47**	**22 773 152.56**	**3 420 747.06**

B. Incoming shipments from peacekeeping operations to the Base (1 July 1998-30 June 1999)

Origin	*Total value (United States dollars)*	*Total (kilograms)*
MINUGUA	574 [illegible]4.57	160 000.00
MINURCA	862 317.16	18 024.20
MINURSO	49 190.90	7 225.00
MONUA	12 274 816.73	313 800.00
UNDP/UNOMIL	20 000.00	44.00
UNIKOM	1 210 1[illegible]4.52	5 146.00
UNMIBH	2 731 606.77	79 573.60
MIPONUH	209 739.26	7 390.00
UNMOT	96 456.55	1 835.00
United Nations Office at Nairobi/UNAMIR	340 564.55	6 939.00
UNPREDEP	8 318 293.68	1 243 495.50
UNTAES/Support group	6 104 136.91	448 010.00
	32 791 821.60	**2 291 482.30**
United Nations Headquarters (for Field Administration and Logistics Division reserve)	469 362.50	976.00
Total	**33 261 184.10**	**2 292 458.30**

C. Outgoing shipments from the Base to specialized agencies, United Nations programmes and other Secretariat entities (1 July 1998-30 June 1999)

	Field Administration and Logistics Division reserve			
Destinations	*Expendables (United States dollars)*	*Assets (United States dollars)*	*Total value (United States dollars)*	*Total (kilograms)*
Office of the Special Representative of the Secretary-General for the Great Lakes Region, Kenya	1 510.00	4 036.80	5 546.80	36.00
International Tribunal for Rwanda	21 470.45	90 508.94	111 979.39	25 063.00
International Tribunal for the Former Yugoslavia	4 209.25	273 445.35	277 654.60	39 787.00
Office for the Coordination of Humanitarian Affairs/United Nations Office at Geneva	174.00	0.00	174.00	6.50
Office of the Iraq Programme (oil-for-food programme)	270.00	390.00	660.00	40.00
United Nations Guard Contingent in Iraq	97.90	3 140.00	3 237.90	31.00
UNHCR Albania	1 000.24	0.00	1 000.24	1 781.40
UNICEF Albania	2 490.48	84 786.47	87 276.95	11 213.00
UNICEF Denmark	200.00	0.00	200.0	18.00
United Nations Office of the Humanitarian Coordinator in Iraq	101 128.34	200 710.30	301 838.64	56 642.00
United Nations Special Mission to Afghanistan	3 339.23	28 051.79	31 391.02	7 749.00
WFP Albania	8 225.00	51 600.00	59 825.00	354.00
WFP Nicaragua	0.00	97 094.00	97 094.00	735.00
WFP Pakistan	5 865.00	0.00	5 865.00	115.00
Total	**149 979.89**	**833 763.65**	**983 743.54**	**143 570.90**

D. Incoming shipments from specialized agencies, United Nations programmes and other Secretariat entities to the Base (1 July 1998-30 June 1999)

Origin	*Total value (United States dollars)*	*Total (kilograms)*
Department of Humanitarian Affairs/Office for the Coordination of Humanitarian Affairs	54.00	0.78
Total	**54.00**	**0.78**

Annex II

Communications support provided by the Base for the period from 1 July to 30 June 1999

	Description of service provided				
Recipient	*Internet*	*E-mail*	*Telephone*	*Database replication*	*Field assets control system*
International Tribunal for Rwanda	X		X		
International Tribunal for the Former Yugoslavia			X		
MINUGUA		X	X	X	X
MINURCA	X	X	X	X	X
MINURSO	X	X	X	X	
MIPONUH		X	X	X	
MONUA			X	X	
UNAMET (May/June only)		X	X	X	
UNDOF			X	X	X
UNFICYP			X	X	X
UNIFIL			X	X	X
UNIKOM			X	X	X
UNMIBH	X		X	X	X
UNMIK (June only)		X	X	X	
UNMOGIP		X	X	X	X
UNMOT	X	X	X	X	
United Nations Office of the Humanitarian Coordinator in Iraq		X	X	X	
United Nations Belgrade			X		
UNOMIG	X	X	X	X	X
UNOMSIL	X	X	X	X	
United Nations Office at Nairobi			X		
UNTSO			X	X	X
United Nations Headquarters			X	X	X
Communications support via leased lines					
WFP			X		
FAO			X		
United Nations Office at Geneva			X		

Annex III

Procurement action on behalf of other entities (1 July 1998-30 June 1999)

Requisitioner	*Items procured*	*Value (United States dollars)*
MINURCA	Insect sprayers and insecticides, pesticides, anti-mosquito	4 939.19
UNAMET	Safety rigging materials	605.63
	Licence plates for vehicles	1 914.83
UNICEF	Forklift, 2-ton	23 798.58
UNMIK	Office furniture	33 799.49
	Car mats for vehicles	675.99
	Transport spare parts	1 708.42
	Stationery supplies	21 627.03
	Instant films	495.74
	Tyres	30 376.55
	Electrical material	4 426.65
	First-aid kits	17 034.95
	Trip ticket folders	432.63
	Air conditioners	8 746.23
	Jet A1 fuel	40 000.00
	Ferry tickets for shipment of vehicles	281.21
	Vacuum cleaners and floor scrubbers	4 565.28
	Ration packs	54 833.75
UNMOT	Coffins (5)	3 724.93
UNOMIG	Remote control for televisions	260.07
UNOMSIL	Office furniture	2 352.54
	Anti-theft devices	2 104.54
	Cylinder locks for vehicles	3 244.76
	Generator spare parts	390.24
Total		**262 339.23**

Annex IV

Field assets control system

1. As of January 2000, the field assets control system has been implemented in 18 field missions. The total inventory value maintained in the global field assets database has grown to nearly half a billion dollars. These figures are expected to increase considerably, as newly established missions expand (Kosovo, Democratic Republic of the Congo, East Timor and Sierra Leone).

2. There are three implementations remaining to be completed. Implementation in Sierra Leone is scheduled to commence on 9 February 2000; the follow-up mission in Angola will follow in March and the last implementation that is to take place in the Democratic Republic of the Congo will be scheduled when there is more clarity with respect to the situation on the ground.

3. The field assets control system was developed and implemented using the Organization's existing global mission communications, data storage and transmission infrastructure. Staff members assigned to asset management and inventory control functions in 18 field missions were provided training on the utilization of the system, technical electronic data-processing support and United Nations property control procedures. There are currently over 500 users in the field.

4. The system takes advantage of the selected modern commercial groupware platform, Lotus Notes, such that data collection is both transparent and interactive on a global basis. A standard item codification system and bar-coding mechanisms have been implemented enabling seamless integration and transfer of asset data between field missions and the Field Administration and Logistics Division, thereby eliminating many data entry redundancies.

5. The system provides the means for transparency of inventory tracking between missions and within each mission area. Commodity managers at Headquarters now have a near real-time view of the detailed inventory of peacekeeping assets, including condition and location through visibility of all the items of United Nations-owned non-expendable property currently in storage, undergoing maintenance, recommended for write-off and/or in use in missions. They can manage control and evaluate field mission holdings in a more tangible and expeditious manner. Transparency of inventory records also provides a deterrent for mismanagement of United Nations-owned equipment and is an effective tool to analyse inventory records and address any problem areas in a proactive manner.

6. The system provides an effective mechanism for ensuring prompt issuance of receipt and inspection reports by recipient missions. This means that the asset records are correctly reflected for newly acquired assets in field missions. The system also requires each asset to have a record of issuance for its subsequent issuance to end users with duly signed receipts. Responsibility for United Nations property is, therefore, placed on asset managers in the field and on each individual utilizing United Nations property. This promotes awareness of the need to maintain proper inventory control procedures and sustains accountability from mission start-up to liquidation, thereby creating an overall environment that is more conducive to effective control of United Nations property.

7. The system requires sustained regular updating of inventory records, which is monitored by specialist logistics units. It supports preparation of reports on the

disposition of assets of liquidating missions and in the resolution of discrepancies. Time and resources may be saved in comparison to past liquidations, therefore, where considerable effort was required to reconcile inventory records prior to disposition decisions. Recently, disposition decisions for liquidation of assets in MINURCA (Central Africa) and MIPONUH (Haiti) were processed on-line in the field assets control system.

8. The field assets control system was the first element of the field mission logistics system for the United Nations-owned equipment portion of the maintenance tracking system to provide condition tracking and the necessary controls for management of expendable spare parts used in the maintenance of non-expendable property and attractive items. The element for controlling and reimbursing contingent-owned equipment is scheduled for implementation in East Timor in March 2000.